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Can the government regulate itself?

JAMES Q. WILSON & PATRICIA RACHAL

THE growth in the reach and discretionary authority of central government, not only in the United States but everywhere, raises fundamental problems for the control and accountability of agencies charged with serving public purposes. The "bureaucracy problem" is frequently discussed in terms of "red tape," inefficiency, unresponsiveness, and resistance to change. Less frequently discussed, but possibly of greater importance, is the extent to which even public agencies that are efficient, responsive, and open to change can produce the desired social effects under an increasingly common condition—namely, when the end in view requires that one government agency modify the behavior of another.

At one time, this was at best a trivial problem. When the private sector was very large relative to the public sector, most action directed at a public goal involved a public agency acting on a private agency by means of regulations, services, or subsidies. Thus the Interstate Commerce Commission regulated private railroads, the Public Health Service inoculated private citizens, and the Department of Agriculture subsidized individual farmers. The most conspicuous exceptions at the national level involved the military: The Army purchased many of its weapons from publicly owned arsenals, the Navy many of its ships from naval shipyards.

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Of course, a characteristic feature of federalism is the extent to which a central agency works toward a public goal, not by directly furnishing services or resources to private citizens, but by furnishing them to counterpart agencies at the state and local level, which in turn deal with the private sector by running schools, building highways, or operating public-housing projects. There is a rich analytical literature on the problem of administrative federalism, and a perennial debate over the relative merits of central control versus local autonomy. But the problem is generally viewed as arising because the bases of authority are constitutionally different, and the constellations of supporting interests politically diverse. Some persons assume that the problems of conflict and constraint would not exist if all programs were centrally managed.

We hold a different view. Even within the same level of government, an agency will have great difficulty in attaining its goal if, to do so, it must change the behavior of another agency. We are prepared to suggest an even stronger thesis, though we cannot yet fully defend it: *In general, it is easier for a public agency to change the behavior of a private organization than of another public agency.*

With the enlarged range of activities and goals of central governments everywhere, this difficulty has become acute. As governments increasingly come to manage directly large industries, to supply medical and other services, and to operate housing projects, one public bureaucracy (say, a budget office) must give orders to another public bureaucracy (say, the public hospitals). In addition, the goals sought by government have become more diverse and constraining. At one time, a government agency would have an "active" or substantive goal (such as building a highway) and would be subject in addition to a small number of "contextual" goals or constraints (such as the need for fiscal accountability). Today, every agency must take into account a vast array of contextual goals—equal opportunity in hiring, civil-service protection of veterans, the maintenance of clean air and water, the recognition of public-employee unions, the granting of public access to files and records, the protection of the health of employees, and many more. Most, if not all, of these constraints are enforced, not always successfully, by other public agencies.

Agency activities

The Veterans' Administration (VA), for example, operates a vast program of free medical services, costing about $5 billion a year

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and involving over 170 hospitals with more than 90,000 beds and 7,500 doctors. It is a mammoth American experiment in the public provision of medical care. Private hospitals are frequently, and correctly, criticized for certain gross inefficiencies—for the competitive investment in costly, prestige-conferring but rarely used treatment technologies (such as open-heart surgery units); for allowing services, and thus costs, to rise to match whatever level of income is available; and for building elaborate new units in areas (such as those near medical schools) that are already well-served, while neglecting rural and poor areas that are underserved. Yet as Harvey Sapolsky has shown, the VA hospitals are guilty of exactly the same inefficiencies, despite determined efforts by the Office of Management and Budget (OMB) to curtail them. Recognizing that the number of veterans requiring medical care will inevitably tend to decline in peacetime, OMB has tried to cut back VA medical expenses, but to little avail. The VA has powerful friends in Congress, and they saw to it that the agency would get hundreds of millions of dollars for "specialized medical programs," a fancy name for open-heart surgery facilities and intensive-care units.

With the advent of Medicare and Medicaid, the federal government acquired powerful tools it could use to control the behavior of private hospitals. Though no general policy of rationalizing hospital facilities has been pursued, the government has not hesitated to threaten the curtailment of Medicare benefits if public regulations governing hospital practice are not followed. No such credible threat exists for public hospitals. As Sapolsky has written, "The VA is an independent federal agency with its own budget and its own political base. The threat to withhold Medicare and Medicaid reimbursements . . . can have no impact upon the VA, as health services for veterans are provided through direct federal appropriations."

Electric-utility companies have been ordered by the government to take a number of expensive steps to clean up the gases they emit into the air. The Tennessee Valley Authority (TVA), a public agency, is not as vulnerable to the authority of the Environmental Protection Agency (EPA) as, for example, Pacific Gas and Electric (PG&E). The rates, and thus the return on investment, of private utilities are set by public regulatory agencies, and the managers of many of these utilities are interested in profits. If the regulatory agency is responsive to the need to produce an adequate return on investment, an investment in a stack-scrubber to remove sulfur dioxide may entail costs that are merely passed on to the consumer, or may even lead to a higher dollar-volume of profits if the utility

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is allowed to earn money on the capital spent on the scrubber. But TVA, not another government agency, sets its own electric rates, and it is dominated, as Marc Roberts has shown, by those who are ideologically and professionally committed not to profits but to producing power at the lowest possible cost. Many of its supervisors no doubt recall that one of the agency's purposes was to serve as a "yardstick" against which private electric rates could be compared, and that another goal was to electrify as much as possible of the poorer farming areas in its regions. Given this commitment, anything that raises costs is bad, even if it is equipment to produce cleaner air, and the badness of higher costs cannot be offset by a corresponding increase in profits, since "profits" do not exist. As Roberts has found, there are public utilities that are more responsive than TVA to environmental-protection measures, but they are directly and closely supervised, as certain Canadian power agencies are by the provincial cabinet. Not only is TVA remote from the centers of political power, it finances itself, not out of appropriated tax money but from retained earnings and revenue bonds. One consequence of this is, as Roberts puts it, "PG&E has 'clear stacks' and TVA does not."

Since 1972, the federal government has been attempting to reduce "noise pollution" by lowering environmental noise levels to 70 decibels or less. The Occupational Safety and Health Administration has imposed rigorous (though often economically foolish) standards on foundries, and the Federal Aviation Administration is pressing the airlines to modify aircraft to reduce noisy takeoffs. But, as Paul H. Weaver has found, "for noise problems in the public sector, a rather less exacting standard seems to prevail." No standards have been set for perhaps the most pervasive big-city noisemaker, the subway trains, and the Noise Control Act gives special exemptions to the military and to the National Aeronautics and Space Administration, as well as to semi-nationalized industries such as the railroads.

In Boston, the Housing Inspection Department (HID) is charged with responding to tenant complaints about unsafe housing conditions. It does so by sending out an inspector, writing up a report, and, if necessary, taking the landlord to court. There are many difficulties with this process and not everyone is happy with the results, but by any test a large proportion of the complaints are satisfactorily handled. Or at least they are when the offending party is a private landlord. When the HID must deal with the Boston Housing Authority (BHA), which manages the low-income public-

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housing projects in the city, it is a different story. Pietro Nivola found that whereas almost half the complaints from tenants living in private housing were "cause for action" (i.e., required landlord compliance), nearly two thirds of those from public-housing tenants were of this sort. Though public-housing complaints were more frequently well-founded, they were much less frequently corrected —only about 14 per cent of a year's public housing cases, compared to at least three quarters of the private housing cases, were reported as corrected at the time of the survey. This difference did not arise because public-housing managers are callous, but because the BHA as a *public* agency is required to serve goals that, as it turns out, are inconsistent with good maintenance. It must keep rents low and it may not pass on to tenants increases in operating costs (that would be entailed by complying with housing inspections). In addition, one government agency is reluctant to take another to court.

The constraints on control

Perhaps the clearest example of the weakness of intragovernmental controls can be found in the area of affirmative-action employment policies. The Office of Federal Contracts Compliance (OFCC), located in the United States Department of Labor, supervises the efforts of federal agencies to insure that contractors doing business with them have affirmative-action hiring programs. Seventeen major agencies are required to comply with the rules and directives of OFCC that specify how each of them is to regulate the hiring practices of private institutions. For example, the Department of Health, Education, and Welfare monitors the hiring done by universities and hospitals, the Treasury Department that done by banks, and the Defense Department that done by military suppliers. If an agency finds that a firm or institution for which it is responsible has not hired enough minorities or women, it may take various legal steps, including cancelling its federal contracts or withholding its federal grants.

In the opinion of almost everyone in and out of the agency, OFCC has failed to control effectively the compliance activities of other federal agencies. Civil-rights organizations have been critical of OFCC for not forcing compliance agencies to impose tough sanctions. These agencies, in turn, have grumbled about the excessive and unrealistic pressure OFCC exerts on them and about its failure to provide clear and feasible guidelines. Contractors and agencies alike resent trying to accomplish a social goal by manipu-

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lating the federal procurement process, which serves a variety of other goals—national defense, medical research, health care—that should not, in the eyes of the participants, be jeopardized in order to serve the single goal of meeting certain employment timetables. Contractors question whether there should be higher standards (and thus higher costs) imposed on those firms that do business with the government than on those who do not. A Civil Rights Commission report on OFCC in 1975 concluded that its performance was so bad the agency should be abolished.

Though some of its problems may have stemmed from weak leadership, the fundamental difficulty OFCC faces arises out of the nature of its task and the resources it has—or does not have—to perform it. OFCC has no direct control over the budget, personnel, or structure of any other agency. It cannot allocate new money to an agency or withdraw the money an agency already has. If an agency assigns 10 administrators to a civil-rights task that requires a hundred, OFCC cannot require it to assign the additional 90. If an agency, such as the Department of Agriculture, operates its civil-rights program in a highly centralized fashion, OFCC may complain about the consequent lack of on-site field inspections of contractors but there is nothing more it can do. If, on the other hand, the Federal Aviation Administration decentralizes its civil-rights work to the various regions, OFCC may complain about the ensuing lack of any consistent policy, but it is powerless to impose one.

In rank-conscious official Washington, the fact that OFCC is one small bureau in a large department can create crippling disadvantages. A GS-13 civil servant in OFCC must attempt to give orders to a GS-17 or GS-18 in the Department of Defense. And if the differences in grade were not enough, an aggrieved Defense official, concerned about meeting a tight production schedule for a complex and important new weapons system, may refer any demands from OFCC that the contract be terminated right up to the Secretary of Defense, who will rarely deign to return the phone calls of "some Labor Department bureaucrat." Should the OFCC official retaliate by trying to enlist the support of the Secretary of Labor, he will discover either that the Secretary cannot be bothered with such small issues or that the Secretary is disinclined to challenge the Secretary of Defense. But even assuming the challenge should occur, who is to resolve it? Only the President has the authority, and it is unlikely that he will allow himself to be drawn into an interagency quarrel over whether some contractor in California has or has not hired enough blacks.

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Though OFCC lacks the power to control other federal agencies, it is nonetheless expected to "show progress" toward its goal. One measure of progress is the number of minorities and women hired by contractors as a result of their affirmative-action plans. But Patricia Rachal found that at one point at least 80 per cent of these statistical reports from various agencies were in error and could not be used. Counting accurately who was hired as a direct result of an affirmative-action plan is difficult under the best of circumstances, and becomes almost impossible when the compliance officers in the various federal agencies have little incentive to work hard to produce numbers of interest only to another agency. Another measure of "progress" is the number of cases in which sanctions have been imposed on employers, but many in OFCC itself concede that such data more nearly measure the opposite of progress—if a contract must be terminated, then the employment program has failed. And in any case, the agencies are reluctant to impose sanctions except as a last resort, and resent any indication that OFCC is pressuring them to impose more.

The weakness of OFCC in dealing with other federal agencies stands in sharp contrast to the comparative power of a determined federal agency in dealing with a private employer. The constraints that inhibit interagency control are much less in evidence in dealings with businesses, universities, and hospitals. A federal agency can terminate a contract with or deny grant-money to a firm, though it cannot affect the budget of another agency. A private organization can be sued or enjoined in court by a government agency; it is rare in the extreme for one agency to sue another. A GS-13 government official must be taken seriously by a corporate president earning 10 times his salary; a GS-15 official will ordinarily ignore a lowly GS-13.

Organizational autonomy

There has been a good deal of loose talk and writing about how the rise of large bureaucratic structures employing advanced technologies has blurred or obliterated the conventional distinction between the public and private sectors. The greater difficulty government agencies have in changing one another's behavior than in changing private behavior suggests that the traditional distinction still has some life left in it. The difference, in part, rests on this: A government agency operates in a milieu of politically supervised autonomy. All organizations value autonomy and strive to reduce threats to it. There is no businessman who would not prefer less

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competition to more, certain markets to uncertain ones, and guaranteed revenues to contingent ones. Given half a chance, a firm will try to acquire as much of a monopoly position as it can. But government agencies share in the authoritative power of the state, which preempts all rivals and establishes a monopoly position for itself.

That each public bureaucracy shares in this authoritative power does not mean its autonomy is thereby assured or that it lacks rivals. Every agency head looks warily at his colleagues outside the agency, suspicious, often with good reason, that they wish to intrude into his domain and alter or degrade his agency's mission. But the manner in which this competition for autonomy proceeds is different in the public than in the private sector. In government, each agency defends or enhances itself by mobilizing allies elsewhere in government—in the legislature, in other agencies, within the executive offices—who share a stake, material or ideological, in the agency's well-being. No elected representative, no governor or President, no Congressional committee chairman, can allow the competition among public agencies to be settled, so to speak, *mano a mano.* Such an unsupervised and unmediated struggle could only reduce or deny the authority of the political superiors. Their power depends on their willingness to exercise it, and this means their willingness to become involved to help define and protect the domains of valued subordinates.

In the private sector, competition *is* hand-to-hand, with the only common outside agency—the courts—involved (in theory and usually in practice) as a disinterested adjudicator of a dispute over legal rights, not political advantage. Naturally, individuals and organizations in the private sector dislike this competition, because it is both unsettling and expensive. (Lawyers enjoy it because it's fun and profitable.) Only if they can acquire some share of official state power—by becoming nationalized, or by acquiring a legally protected monopoly position, or by falling under benevolent regulators who will exclude rivals—can they avoid or moderate this conflict.

One federal agency cannot, except in unusual circumstances, sue or enjoin another, because to do so would involve the judiciary in the internal affairs of the executive branch and thereby, in the opinion of most constitutional scholars, violate the doctrine of the separation of powers. The courts can, of course, rule that an administrative agency has acted without legal authority (has acted, that is, *ultra vires*), that an agency has failed to act in a way clearly required by a law specifying a nondiscretionary duty (in this case,

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the plaintiff seeks a writ of mandamus), or that an action of an agency is clearly unconstitutional (because it violates, for example, the due-process or the equal-protection clauses). Ordinarily, however, such rules result from citizen complaints about agency behavior. The courts cannot and will not mediate internal disputes among executive agencies, or require one agency to do something that it has the legal and constitutional authority to refuse to do, nor can the courts tell an agency that it must use its legitimate discretionary authority to act as another agency would prefer. The exact limits on the courts' power to intervene in interagency disputes are not well-defined (the Supreme Court had to determine one of these limits in *United States vs. Nixon*, when the special prosecutor asked it to compel the President to deliver the Watergate tapes), but the rarity of one agency's attempting to use the courts to alter the behavior of another suggests that these limits are quite narrow.

The cases of failures of interagency control described here, and others that no doubt could be found, can all be explained by the ability of each agency—the Veterans' Administration, the TVA, the Boston Housing Authority, the EPA, the Defense Department—to defend its autonomy through the mobilization of effective political allies. Sometimes that autonomy is permanently protected by law, as when a statute prevents the housing authority from collecting revenues from tenants to pay for correcting violations of the housing code. Sometimes it requires ad hoc political action, as when Congress appropriates money for special medical facilities for VA hospitals over the objections of budget examiners. Sometimes it is protected by indifference, as when the Secretary of Labor decides not to go to war against the Secretary of Defense on behalf of OFCC. And sometimes it is protected by explicit alliances, as when EPA is ordered by law to give the military a break on noise controls.

Mutual independence

There are important exceptions to the general difficulty of interagency control, but they are consistent with the rule of political autonomy. One agency can control the behavior of another if the second does not regard the constraint as threatening its autonomy. For example, the General Services Administration can insure that all federal agencies operate vehicles with seat belts installed and emission control systems operating. Since there is no real cost in money or autonomy to the agency for operating a safe and nonpolluting car, it happily operates them.

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If one agency can acquire monopoly control over a resource needed by another agency, it can allocate that resource as it wishes and not as the recipient wishes. The Civil Service Commission decides how many personnel "slots" of various grades a federal agency is to have. The agency dislikes this control intensely, struggles by appealing to higher authority to overcome it, and seeks ways of evading it through internal transfers. The Civil Service Commission usually prevails, however, rare and striking testimony to its success in acquiring control over this resource. That it has succeeded is in large part because what it controls is a *resource,* the use of which remains very much up to the agency. Agencies will fight for more resources, of course, but ordinarily they will accept the verdict when it is rendered. They will never accept, on the other hand, a threat to their autonomy—to their ability to define their own mission and specify their own tasks. The importance of autonomy is vividly illustrated in the recent study by Marc Tipermas of the reaction of federal agencies to reorganization plans, and in Morton Halperin's account of military-service rivalry.

Because the protection and enhancement of autonomy is so important, agencies rarely try to control each other directly. The "coordinating council" is the preferred strategy for giving the illusion of mutual control, while preserving the reality of mutual independence. Coordinating councils operate, with few exceptions, on the basis of the rule of unanimity: Nothing will be done that affects the significant interests of a member agency without its consent.

Occasionally, an agency acquires the opportunity genuinely to control another's behavior. The Special Action Office for Drug Abuse Prevention (SAODAP), created in 1972, was given the power to approve or change those portions of other agencies' budgets involving drug-treatment programs. It was a remarkable innovation, and during its brief day in the sun it apparently succeeded in modifying significantly the drug-treatment work of other agencies. For this to happen, however, the head of SAODAP had to be almost literally at the right hand of the President, able to invoke his authority whenever a challenge arose. Once President Nixon lost interest in SAODAP as the Watergate nightmare unfolded, SAODAP rather quickly became just another federal agency.

More or less the same thing happened to OFCC. It originally was not a government agency but a Presidential committee operating out of the White House. It had no statutory power, but it had strong Presidential backing under John F. Kennedy. In retrospect, the federal contracts-compliance program was more vigorous during this

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period than it was after 1965, when President Johnson abolished the committee and, by executive order, created OFCC and placed it in the Labor Department. As with SAODAP, OFCC became "just another agency."

The struggle for the attention and support of the President is so acute in large part because this resource is both highly valued and extremely scarce. If every agency had assured monopoly control over its domain, it would not have to fear the inroads of other agencies and it would rarely need direct Presidential support. Such was the case for many years with the FBI. If the President, or a comparable political authority in another regime, is willing to give substantial and continuing support to an agency seeking to impose its will on another, that agency will often prevail. But this is tantamount to saying that the President should have, with respect to the behavior of the affected agencies, one and only one goal and should be willing to invest whatever influence is necessary to maintain it. But Presidents rarely—and over the long run, never—have only one goal, and few would be so foolish as to think that their influence need not be carefully conserved.

The private sector is not without resources to resist government controls. A firm can take an agency to court, a university can enlist sympathetic Congressmen, a hospital can mobilize prestigious trustees. Pulling and hauling are typical of all forms of political action. But in the final analysis, the private sector cannot deny the authority of the state—if it were able to, the state would cease to exist. A government agency can and does, however, deny the authority of another agency. Sovereignty exists in the eye of the person outside government, contemplating its power. Inside government, there is very little sovereignty, only rivals and allies.

The "bureaucracy problem"

The steady growth in the power of central governments raises many problems concerning which both liberal and socialist political theory are relatively silent. Neither James Madison nor Karl Marx had a theory of bureaucracy. In this country, the problem has been seen chiefly as one of executive leadership and government reform: Give the president (or mayor, or governor) enough authority over subordinate agencies, and group them in sufficiently rational categories, and government will be effective and accountable. It is becoming increasingly clear that no acceptable level of Presidential authority, and no feasible reorganization scheme, can produce co-

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herent and consistent policies given Congressional and other sources of intervention, and given an administrative apparatus of a certain size.

There is no "solution" for this problem, but there is the need to maintain a prudent regard for its existence and importance. Everyone, of course, is prepared to concede the undesirability of "excessive government regulation" (though people differ on how much is excessive). What deserves equal attention is the growing problem of the inefficacy of government regulation caused by the shift of functions from the private to the public sector. It may become necessary for those who wish to broaden the scope of public intervention and regulation to favor leaving the day-to-day management of affairs in private hands. *Large-scale public enterprise and widespread public regulation may be incompatible.*

The United States has not gone as far down the road of intragovernmental regulation as have nations with a larger part of their economies operating under public auspicies. Though we have no systematic information on this, it seems likely that the problems discussed here are correspondingly greater in Italy, England, or France, where railroads, airlines, electric utilities, and even cigarette producers are nationalized industries. Among the reasons for public ownership is the expectation that this will make the management of these enterprises more responsive to public concerns. One instinctively doubts, however, that a government that makes money by manufacturing cigarettes is likely to be in the forefront of efforts to persuade people not to smoke them, or that a government trying to use tax revenues to meet the cost of a subsidized national airline will take the leadership in retrofitting its planes with expensive noise reducers. If this is true—and, alas, we know of few comparative studies of government regulation among different nations—then it may be that as power in a society becomes more concentrated, it becomes less effective in serving a variety of public goals.

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Blood policy revisited— a new look at "The Gift Relationship"

HARVEY M. SAPOLSKY & STAN N. FINKELSTEIN

THE advocates of central planning and the supporters of free markets clash in nearly every field of public policy. But perhaps none of their confrontations is more emotionally based, or less useful for decision-making, than the current debate over blood policy. Emotionalism is inherent in the topic of the controversy. Blood is essential for life. It cannot yet be produced artificially. In order that some of those in need of transfusions may live, others must be persuaded to give their own blood. It is not surprising, then, that many would regard the systems by which blood donations are induced and blood transfusions paid for as symbolic of the bonds of community—or lack thereof—in modern society, and as having moral qualities few other human transactions could. Only the barrenness of the debate needs to be explained.

Although there have been conflicts among the professionals involved since transfusions began to become common nearly 40 years ago, the current public debate stems from the publication in 1970 of a widely reviewed study of blood-banking practices by Richard M. Titmuss, the now deceased English social theorist. In *The Gift Relationship,* Titmuss compared the blood-banking system in the United States, where a market in blood is permitted, with those in other nations, especially Great Britain, where all blood donors are

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unpaid and blood is provided free to those in need of transfusions. According to Titmuss, because the United States allows blood to be bought and sold, it suffers from unnecessary shortages, unconscionable wastage, and avoidable illness and death caused by transfusion-induced hepatitis. The profit motive causes donors and procurers of blood to lie about the quality of their product, thus endangering the health of the recipients. Great Britain, by contrast, supposedly suffers from none of these problems. In Titmuss' view, the "gift of life" in America is an unhealthy one, medically and socially.

Titmuss acknowledged that not all of the blood supplied in the United States is collected by commercial sources. The American Red Cross, nonprofit hospital blood banks, and community blood centers (represented nationally by the American Association of Blood Banks and the Council of Community Blood Centers) are also active in the field. He claimed, however, that the commercial sector accounted for approximately one third of the supply, and that its share of blood collections was rapidly growing. Moreover—in contrast to the situation in Britain, where everyone is guaranteed blood without cost when they need it, and no one expects any personal gain for giving—even blood given to nonprofit agencies in the United States is often donated either under a kind of duress (with the donors trying to insure the availability of blood for themselves or their families, or to avoid the replacement fees that are charged for transfused blood) or on the delivery of some side payment (time off from work, or a ticket to a sporting event). Relatively few Americans give their blood, and among them only a small percentage (Titmuss estimated less than 10 per cent) are truly altruistic donors.

This devastating critique was accepted as accurate by American social scientists who commented on Titmuss' work. To be sure, not all of them were persuaded by every strand of the argument. For instance, several challenged the contention that the mere knowledge of the existence of a market for blood would in itself cause potentially altruistic donors not to volunteer their blood. Personal experience, they knew, proved otherwise. Most, however, found no fault with the conclusion that blood services functioned best when they were centralized and the donations were exclusively voluntary. If a market produced the undesirable results Titmuss indicated, then it ought to be abolished: This was their general verdict.

The responsible officials in the Department of Health, Education, and Welfare (HEW) apparently shared this view, for they soon sought to bring the noncommercial elements in blood banking into

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a consortium to rationalize the blood-resources system in the United States. The result of this effort was the establishment in 1975 of the American Blood Commission, an organization composed of the major blood-collection agencies and representative consumer groups, and dedicated to a policy of promoting "volunteerism" in blood donations and the regionalization of blood services. Titmuss would think this policy deficient since it does not require that transfusions be provided free of charge, nor attempt to eliminate non-cash payments for blood donations. But he would not be displeased with the direction of change it indicates for American blood policy, since it is the direction preferred in *The Gift Relationship*.

Needless death and ill health

The Gift Relationship, however, is not a very useful guide for policy. The American blood system, even unreformed, is much less than the disaster Titmuss described, and the British system, as structurally different as it is, is much less than the model of virtue.

The most serious charge Titmuss made was that the American system promotes needless death and ill health. At least two and perhaps three or more types of hepatitis virus are transmitted through blood transfusions. Those who survive surgery or other medical procedures involving transfusions face the threat of debilitating and potentially fatal hepatitis infections. Because the available tests for the hepatitis antigens in blood fail to prevent completely the transmission of the disease—currently the best among them is less than 50 per cent effective—the safe operation of the blood-resources system requires that its participants act in a socially responsible manner. Individuals with a history of hepatitis infections must be banned from donating their blood for transfusions, and units of blood that are suspected of causing infections should be traced back to their source to prevent the spread of the disease through repeat donations. A trade in blood, Titmuss argued, creates incentives for socially irresponsible and medically dangerous behavior. When there is a market in blood, derelicts, drug addicts, and others with both a high risk of being hepatitis carriers and a need for money have an interest in concealing their poor health. Those who pay them and resell their blood have the same interest. In the United States, where blood is exchanged for money, transfusion hepatitis is an important medical problem. (Though precise figures are not available, the official estimates are 1,000 to 3,700 deaths and 90,000 to 120,000 hospitalizations each year—or an infection rate of approximately 4.3

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cases per 100 transfusions.) In Great Britain, where a cup of tea or a glass of stout is about all you can get for a blood donation, transfusion hepatitis is considered rare, with an infection rate perhaps a seventh of the American rate. Money, it would seem, is the root of at least one evil.

The hepatitis problem, however, is more complicated than Titmuss would have us believe. Commercially procured blood (that is, blood collected by profit-making enterprises) does, to be sure, carry a higher than average risk of infection. Studies of hospitals that have switched from commercial to voluntary sources for their blood show large, often dramatic, drops in their rates of transfusion-related hepatitis. But not all paid blood is commercial. Some nonprofit hospitals pay their donors. And volunteer blood is not always less risky than paid blood, commercially or otherwise procured. The Mayo Clinic and the Massachusetts General Hospital, two of the nation's most prestigious medical institutions, pay some of their donors, and they both have lower rates of transfusion hepatitis than is the experience with volunteer blood available in their areas.

A recent study conducted by the General Accounting Office (GAO) supports this point. The GAO examined positive hepatitis-B-antigen rates of donor groups at a number of blood collection agencies, some of which paid donors and some of which did not.[1]

The GAO found that some paid groups, particularly at hospitals, had test rates nearly equal to the best of the volunteer groups, and that some volunteer groups had rates ranking with the worst of the paid groups, which were almost exclusively commercial. The variance in the rankings among the groups was better explained by socioeconomic factors, most particularly by the poverty rate of the area from which the donors were drawn, than by whether the donors were paid.

Race and ethnicity also seem to be important correlates of the risk of hepatitis infection. A study conducted by the Greater New York Blood Program found that orientals had positive test rates four times higher than blacks, and blacks had rates four times higher than whites. Among whites, those of Northern European origin had lower rates than those of Southern European origin.

These findings help explain the variation in national transfusion-

[1] Hepatitis screening tests such as the B-antigen test are not perfect indicators, since some infectious blood does pass the screens, and the rates found are likely to be related to the number of first-time donors in the group tested. Agencies that pay their donors tend to have more repeat givers than those that rely on volunteers. Nevertheless, the B-antigen test results are used because they represent the measure of hepatitis infectivity of blood that is most readily available.

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hepatitis rates. Sweden, which pays all of its blood donors, has a very low transfusion-hepatitis rate; Japan, which switched from a largely paid blood-donor system to an essentially all-volunteer system in the late 1960's, still has a very high rate. The low rate in England relative to the United States is probably due more to the fact that British blood is used than to the fact that all British donors are volunteers.

The National Transfusion Service, the government agency which manages the blood system in Great Britain, apparently agrees, for it discreetly discriminates against new immigrants in its collection procedures. The regional units of the Transfusion Service avoid scheduling collection visits at factories and other sites where there are large concentrations of Pakistanis, Indians, Jamaicans, or other immigrant groups. Blood collected from donors born in Asian, African, and Caribbean countries (and certain other countries, but not the United States) is labeled as high-hepatitis-risk (in code) and is then not used, if possible, for direct transfusions. A very rational policy perhaps, but not one that the British advertise. When asked recently by the press about the sorting of blood by national origin, some regional directors of the Transfusion Service denied ever having followed the practice, even though their colleagues at the other regional centers knew they had and thought they were continuing to do so.

Efficiency in blood banking

Titmuss also accused the American system of gross inefficiency. He noted that while in some American cities there are severe shortages of blood, in others blood is literally thrown away. Blood emergencies are continually being declared, and yet upwards of 30 per cent of the collections are supposedly not used. In contrast, he reported that the British Transfusion Service has always managed to meet the expanding blood needs of the National Health Service and British medicine as a whole without encountering shortages or wastage.

Given the inventory problems involved in blood banking, however, such a perfect record is difficult to imagine. Whole blood becomes "outdated" in 21 days.[2] Blood must be biologically cross-matched for each patient. Blood and blood components must be

[2] Whole blood has a liquid component, plasma, and cellular components, red and white cells and platelets. After 21 days, whole blood ceases to be usable as whole blood, though blood products can still be processed.

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stocked at all times for emergencies. The least effort at investigation will discover that blood is often in short supply, not only in Newark but also in South London, and that donors are reluctant to give during vacation periods and holidays, in both Great Britain and the United States.

From a theoretical perspective one might expect that shortages would be less likely here than in Britain, since we do rely, after all, largely on an entrepreneurial system for our health services. An operation postponed by the unavailability of blood means a postponed surgical fee. Given that hospitals are structured to serve physician demands, a chronic local shortage of blood would certainly result in the search for alternative sources of supply, commercial or otherwise, and perhaps also in the replacement of the hospital blood-bank director. Since there are no indications that surgeons are dissatisfied with the blood supply, and the growth in the national surgical rate seems unimpaired, it is doubtful that serious shortages do exist.

Perceptions of shortage in the United States result largely from the competition that prevails for donors and the existence of systems that link the availability of blood to individual and group donations. Exaggerations of need and of the consequences of the failure to donate are bound to occur under such arrangements. In some instances, the declaration of emergencies is part of the regular advertising campaign of particular collection agencies. In others it is the product of the organizational practices of the media. For example, a call for donors during a disaster is likely to be repeated automatically on each newscast, and well beyond the time when the emergency need is fulfilled. Even the government agencies that set blood policy find it difficult to resist exaggeration. When the GAO sought to cite, as an example of the effects of switching from paid to volunteer blood, the claims made by the Clinical Center Blood Bank of the National Institutes of Health (NIH) that coverage for NIH employees and their families would be threatened if donations did not increase, HEW, the parent organization of NIH, replied that these claims could not be taken seriously as indicating a shortage—they were merely an advertising technique to keep the level of donations high, and bore no relationship to actual blood availability!

American blood-banking statistics are invariably incomplete since there is no single agency, public or private, to which the thousands of organizations involved in blood collection and usage must report their activities. The data that have been available are based on the

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voluntary completion of questionnaires distributed irregularly by public and private groups. In *The Gift Relationship,* Titmuss notes that surveys conducted during the 1960's could not account for the use of up to 30 per cent of the blood collected, and he argued that much if not all of this "missing" blood was wasted through "outdating." In Britain, he claimed, wasted blood represents only one or two per cent of the collections. The most recent national survey of blood banking in the United States was done for 1971 by Booz Allen Hamilton, under the sponsorship of the National Heart and Lung Institute. This survey reported the "outdating" rate for blood as 12.9 per cent of the 1971 collections, a figure quite close to the rate of 11.8 per cent for the same year reported recently by the British Transfusion Service to the Council of Europe's Public Health Committee.[3]

Titmuss thought that the most efficient manager of blood resources would be a monopoly supplier, which, for example, could prevent the waste of blood by restricting or promoting the availability of particular blood-bank products. One measure of blood-banking efficiency is the degree of production of "packed" red cells used to substitute for whole blood in transfusions. By this measure, at least, the fragmented American system is more efficient than the more centralized British system. In 1971, "packed" red cells accounted for approximately 22 per cent of red cells supplied in the United States, while the British Transfusion Service's production of "packed" cells for the same year amounted to only 5.4 per cent of its total red-cell output. Even allowing for the looseness of the American data, the progressiveness and efficiency of the British system is in doubt.

The Transfusion Service, however, is not quite the monopolist that Titmuss would have us believe. To begin with, the regional units of the Transfusion Service (there is a blood service for each of the 14 Regional Authorities of the National Health Service) operate independently of one another, thus sacrificing the economies of scale that a coordinated national processing of blood products might achieve. There is even some difficulty in shipping blood between regions. Each shipment is made not according to a standard procedure, but rather at the discretion of the Regional Director supplying the blood. In addition, British hospitals are permitted alternative sources of supply for some of their blood needs, the

[3] The use of another 13.1 per cent of the American supply was not accounted for in the Booz Allen Hamilton survey, but there is no way to determine whether this represents additional "outdating," unreported transfusions, or both.

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major restriction being that no donors are paid. Most large British hospitals, for example, maintain panels of blood donors separate from those maintained by the Transfusion Service; in London, the British Red Cross operates a donor service to provide hospitals with fresh whole blood, a product that many practitioners prefer to use for special needs, although the Transfusion Service is said to find it both inconvenient and medically unnecessary to supply. While the amount of blood obtained from the alternative sources is probably not large relative to the collections of the Transfusion Service, the existence of the alternative sources of supply is an indication that British hospitals are unwilling to commit themselves completely to the preferences of a single supplier, even one that is (like the hospitals themselves) an arm of the Health Service. Perhaps the hospitals in Britain seek the flexibility and the responsiveness of a more decentralized system.

The real market and the real shortage

No matter what the supply source, paid blood is unavailable in Great Britain, and this may soon be the case in the United States as well. Urged on by their national associations, the hospitals and community blood banks that have been paying donors are increasingly relying on voluntary giving. And commercial blood banks, always the major source of paid blood, are apparently withdrawing from the market in whole blood. While estimates made in the 1960's of the commercial-blood-sector's share of the total whole-blood supply were in the range of 15 to 30 per cent, the 1971 national survey found that its share was approximately 11 per cent of the total collections. Government officials believe that the commercial share is still dropping; some say it is now as low as five per cent of the total.

Commercial firms, however, have not entirely abandoned the blood business. Rather, they have concentrated their efforts on the collection of blood plasma. The processing of plasma permits the separation and concentration of a number of elements such as albumin, fibrinogen, and globulin, which are useful in combating disease and treating injury. Albumin, for example, is effective in treating shock, and certain globulins in immunizing against mumps and tetanus. As medical techniques have improved, the demand for all blood products, but especially plasma derivatives, has grown rapidly. Plasma may be obtained from "outdated" whole blood, placentas, or "packed" red-cell production, but in the volume now

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needed the preferred method of collection is plasmapheresis, a process involving the removal of plasma from a whole-blood donation and the immediate return of the red cells to the donor through transfusion. Pheresis donors may give twice a week double the amount of plasma obtained from a whole-blood donor every three months. (The commercial firms are the main pheresis-collection agents. Each pheresis session requires up to one-and-a-half hours, as opposed to half an hour for a whole-blood donation; few individuals are apparently willing to sacrifice the extra time without payment.) Albumin, globulins, and diagnostic reagents—plasma products whose use is associated with a negligible risk of hepatitis transmission—account for the overwhelming share of blood-derivative sales. Almost all of these products are storable for a period of time much greater than that of whole blood, and most do not need the cross-matching required for whole blood and red cells.

If there is a major shortage in blood, it is in the production of plasma fractions—and it occurs in the European countries, not in the United States. Plasma fractionation in the United States is largely considered a separate undertaking from the collection and distribution of whole blood. The field is dominated by several large pharmaceutical manufacturing firms who obtain the largest part of their plasma materials from commercial pheresis centers, with most of the remainder from blood purchased from nonprofit blood banks. Under this arrangement, the United States is self-sufficient in the production of plasma. In Europe, plasma fractionation is most often an integral part of the whole-blood procurement system, with government agencies assuming responsibility for the collection and processing of the plasma. Supply problems occur there both because government health officials have not invested sufficient resources in manufacturing facilities to keep up with demand (believing apparently that other health needs deserve higher budgeting priorities), and because plasma is usually obtained from whole-blood donations, resulting in either a shortage of donors or in the collection of excess red cells. In Britain, for example, there has been a shortage of production capacity for plasma factors used in the treatment of hemophiliacs.

The prime market for plasma products is in the developed countries, since they are the countries that have the sophisticated medical facilities that generate the greatest demand for such products. Because many of these countries are not self-sufficient, an international trade has arisen in plasma and plasma products, with American and European pharmaceutical firms obtaining plasma

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through pheresis collections (some call it "plasma farming") in the underdeveloped countries of Latin America, Africa, and Asia, and processing it there or in Europe. The existence of this trade, which creates a population of professional donors in the world's poorest lands for the profit (medically and financially) of the world's richest lands, has been a source of some international anguish. An effort is being made to ban the trade, but this is likely to occur only when the prime consuming nations, including the European countries, are self-sufficient in the production of plasma derivatives, which several are now striving to be, though only a few have succeeded.

Coping with the hepatitis problem

Titmuss notwithstanding, the American blood system, as presently structured, appears to function quite well. There are no widespread shortages of whole blood in the United States. The nation's needs for plasma derivatives are being met without major complications, and the blood system is considered among the most progressive in the world, in terms of its technology and medical practice.

There remains, however, the problem of transfusion-related hepatitis. It is a problem that will no doubt eventually be solved through further advances in technology. Already there are a number of potential solutions being explored. Improvements in screening tests would permit the elimination of all infectious blood from the donor pool. Another area of promise is decontamination technology. For example, experience indicates that the washing out of preservatives during the thawing of frozen blood eliminates the risk of detectable hepatitis infection when the blood is transfused. If the cost of the washing process can be reduced, freezing blood may become the most effective technique for solving the hepatitis problem. Work also proceeds in developing anti-hepatitis vaccines. A somewhat more distant possibility already being explored is artificial blood, a substitute that would duplicate the oxygen-carrying capacity and, hopefully, the color of the real thing. But meanwhile there is avoidable suffering resulting from transfusion-related hepatitis.

Structural reformers advocate increased volunteerism and regionalization as interim solutions. No one, however, should be misled into believing that the achievement of a totally voluntary blood system would have much of a beneficial impact upon the hepatitis problem, since nearly all of the donations are already unpaid, and among them there is much variability in the risk of carrying infec-

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tion. While the drive for a totally unpaid system is likely to continue, its justification is moral rather than medical, since it would now involve such a small shift from paid to voluntary donations.

The proposed regionalization of blood services offers even less certain benefits. Spot shortages that exist can be relieved through the arrangements for inventory sharing that are already common, if not always easy to organize, in blood banking. To restrict competition among nonprofit blood banks by encouraging the formation of regional monopolies is to reduce the most important incentive for good performance. It is jurisdictional uncertainty that prevents these organizations from ignoring the mundane, but vital service function of supplying blood to hospitals. Without this incentive there is bound to be a drift toward greater interest in research and training—functions that provide blood-bank staffs with more exciting work, as well as greater professional rewards.

The likelihood of achieving much further centralization in blood banking, however, is not great. The American Blood Commission is at least the third attempt since World War II to bring together at the national level the noncommercial elements in blood banking. Each previous attempt has failed because of the differences that exist between the main rivals in whole-blood collection, the American Red Cross and the American Association of Blood Banks (AABB). Although on occasion the interests of these organizations coincide (such as in the case of eliminating the competition of commercial blood banks), their operating philosophies and structures are so much at variance as to preclude a complete accomodation. The Red Cross, for example, views the blood supply as a communal rather than individual responsibility, while the AABB thinks of blood "banks" as having credits and debits recorded in individual or group accounts. One is in part a volunteer organization while the other is composed mainly of hospital-based professionals. Even when their practices do not differ, their ideology and orientation do. As each is currently responsible for about 40 per cent of the whole-blood collections (the remainder is divided among the Council of Community Blood Centers, government blood banks, and the declining commercial sector), their continuing conflict guarantees a fragmented blood system.

Market proponents see the solution for the hepatitis problem in the application of a strict-liability standard for the transmission of hepatitis infections through blood transfusions. In most legal jurisdictions in the United States, blood-collection agencies are legislatively exempt (and where they are not, the courts act as if they

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were) from liability for hepatitis infections caused by the blood they supply, except in cases of proven medical negligence. By applying a standard of strict liability rather than negligence liability, the not insubstantial financial burden of hepatitis infections (one estimate is that a case costs an average of $23,000 in care and lost wages) would be shifted to blood-collection agencies, thus providing them with a strong incentive to reduce the infection rate of the blood they supply for transfusions. A likely outcome of this shift would be a renewed emphasis on paid donors, because direct cash payments give blood collectors the surest control over who will be permitted to donate. By being financially liable for the transmission of hepatitis, blood banks would develop closed donor panels (essentially stables of professional donors) that are as risk-free of hepatitis as screening techniques allow.

Yet as efficacious as the strict-liability solution might be, it is quite unlikely to be adopted. Blood was exempt from such a standard precisely because nonprofit and charitable organizations involved in blood collections felt that they could not remain in operation without an immunity from liability claims. It is doubtful that legislatures would now want to jeopardize their financial viability when the blood supply is nearly totally controlled by these organizations. Because the financial costs of hepatitis are already spread throughout the society by means of private and public health insurance, the argument to shift the burden of hepatitis costs to blood-collection agencies could only be made on the grounds of a potential decrease in hepatitis rates and not on the grounds of relieving hepatitis victims.

Making the facts known

Most of the benefits sought in the proposal to apply a strict-liability standard to blood transfusion could be obtained, without threatening the existence of charitable blood-collection agencies, simply by having the public fully informed of the variable risks of transfusions. Since hepatitis is a public health hazard, it is already a requirement that all cases of the disease be traced to the transfusing facility, which is almost always a hospital, and reported to state and federal health officials. The reporting regulations could be amended to require that the hepatitis rate for the transfusion facilities be published. It would then be possible for the public to compare the experience of hospitals and their blood suppliers. Attention would focus on comparing both the local rates

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to the national rate, and the variability in rates among local blood-collection agencies. The fear of lost patronage would force hospitals to seek their blood supply from the safest available source. Blood-collection agencies, in turn, would then have more reason than they now demonstrate to be concerned about the hepatitis risk of the donors they solicit. Presumably, they will begin to do what the agencies with the better records already do—screen their donors and seek out the safest.

In opposition to this proposal, health professionals might argue that hepatitis rates are the product of many complicated factors, not all of which have to do with the quality of the blood supply or can be as easily explained to the lay public. For example, a hospital might have a high infection rate because it treats a population especially susceptible to the disease, or because it performs complicated surgical procedures that require many transfusions, thus exposing patients to a greater risk of infection. Laymen, of course, can never be totally informed consumers of health services, but there is no need to consider them unable to make any sophisticated judgments at all. Information that explains hepatitis rates, as well as the rates themselves, would be distributed. If not all consumers can absorb the information, many can, and for most there are agents such as insurers and governments to aid in making health-care choices. If patients need to be told the chances of surviving an operation, they also need to be told the chances of surviving after an operation. The risk of hepatitis infection is a health threat that should not be omitted in a patient's selecting among hospitals. And if that threat influences a patient's choice, it will be sure to influence the choice hospitals make among blood suppliers.

The goal of the publicity proposal is to force blood-collection agencies to screen their donors carefully. But what form should this screening take? In Britain blood is used differentially according to the race and national origin of the donor. In America, too, blood for transfusions was once segregated by race—but for a quite different reason. To do this again, even to alleviate the hepatitis problem, would be a medical and political mistake. The hepatitis link to racial or ethnic groups is only statistical. Most members of the high-risk groups are free of the disease. What is needed is extra attention to the medical records and donation experience of *individual* blood donors, irrespective of their group affiliation. Unless this is done, and until there is a technological solution to the hepatitis problem, there will be needless suffering from the "gift of life."

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"Career education"—reforming school through work

ELEANOR FARRAR MCGOWAN & DAVID K. COHEN

AMERICANS have tried to solve a number of problems with public education. A recurrent worry has been that primary institutions—family, church, and community—were so weakened by modernization that they could no longer transmit a common culture. Since the 1840's, it has been hoped that schools could do the job instead. If children seemed to be the hapless victims of their families' poverty, nationality, criminality, or bad manners, schools would save them. If the decline of apprenticeship, the growth of large-scale industry, and the development of technology seemed to leave adolescents with no way of learning a trade or finding a job, schools seemed the obvious answer. They would teach vocational skills, test aptitudes, sort students into programs, and counsel them into careers. For more than a century, American educators and school reformers have sounded the alarm: The "natural learning" adequate for a simpler society could no longer be trusted. Formal schooling would have to replace informal education if Americans were to enter the modern age.

These attitudes were hopeful, but ambivalent as well. Americans since Horace Mann have been certain that only schooling could suffice, but they have also idealized a simpler time in which

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youngsters learned trades at their parents' knees—or in close apprenticeship to journeymen. Industrialism and technology struck Americans as demanding more—and more rigorous—formal education. But they also mourned the loss of an earlier and more harmonious community, in which learning to work was merely part of growing up. In their ambivalence, Americans saw schools as a way to reconstruct things. Life in classrooms would compensate for the deficiencies of life outside them.

Education and the "real world"

All this now seems to be changing. To judge from recent developments, America's long romance with schooling is on the wane. In the late 1950's and early 1960's, reformers attacked schools for not trying to do the things they should—integration, better science education, and compensatory training for the poor. The schools then took on these tasks, but by the late 1960's the reformers complained that they were not executing the reforms properly. Critics and social scientists questioned the efficacy of schooling, Ivan Illych became the darling of the intellectuals, and his ideas about the destructive power of schools took hold. "Deinstitutionalization" had become a fad in treating delinquents, criminals, and the mentally ill, and the idea soon washed over to education. Formal education, formerly regarded as the solution to so many social problems, came to seem a major social problem itself. Schools, the critics argued, were an obstacle to learning.

These ideas fermented in the literary and intellectual culture of the late 1960's, and by the early 1970's they had bubbled over into officialdom. Several government and professional commissions announced that there was a serious "youth" problem.[1] By collecting adolescents in boring and frustrating surroundings segregated from the real world of work and adults, secondary schools supposedly reinforced a pathological youth culture that was "spinning

[1] The reports and studies mentioned in this article include: *Youth: Transition to Adulthood,* Report of the Panel on Youth of the President's Science Advisory Committee, June 1973 (Chicago, University of Chicago Press, 1974); *The Reform of Secondary Education,* National Commission on the Reform of Secondary Education, July 1973 (New York, McGraw-Hill, 1973); Ruth Weinstock, ed., *The Greening of the High School* (New York: IDEA-EFL, March 1973); *Secondary Schools in a Changing World: This We Believe,* Report of the Task Force on Secondary Schools (National Association of Secondary School Principals, 1975); Willard Wirtz and the National Manpower Institute, *The Boundless Resource* (Washington, D.C., New Republic Books, 1975). An informative review of these ideas is presented in *Youth Policy in Transition* (The Rand Corporation, 1976).

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out of control," posing a serious threat to social integration. The reports called for a raft of changes, many of which sought to get adolescents out of school: reducing the age of compulsory attendance, lowering the minimum wage to encourage the employment of adolescents, and creating school programs that allowed students to work. Some reports also tried to figure out ways of using schools to legitimize "experience"—everything from making people with "real experience" into teachers to giving students academic credit for work or community service outside of school.

This represents quite a change in notions about schooling. For generations schools had been seen as a protected culture, an island where children could be safe from the problematic pressures of their environment. Some had thought schools would insulate children from cultural or class inadequacies in poor neighborhoods. Others had thought schools would train children in the skills that were required for social survival and economic progress, but were no longer taught at home or at work. Still others had thought schools would protect children, giving them the opportunity to play, grow, and enjoy learning. But rather than picturing schools as a refuge, the current wisdom portrays them as pathologically isolated products of the failure of primary institutions to socialize the young and of economic pressures to keep youth out of the work force. School children are said to be walled off from healthy social realities by irrelevant compulsory attendance and school-leaving laws, and by an unwise professional devotion to book learning. According to these reports, schools prevent students from learning; the answer to the barrenness of formal schools is real experience.

The contrast between current doctrine and inherited dogmas concerning work and school is striking. For generations schools have been regarded as the indispensable preparation for work: They would provide the skills and connections that once were handed down informally on the job or in the family. This idea underlay the earliest manual training programs, the later movements for vocational education, and the turn-of-the-century torrent of high-school and trade-school specializations in everything from accounting to veterinary medicine. It is also the inspiration for the more recent flood of post-secondary white- and blue-collar training programs.

But if schooling once seemed a prerequisite for the vicissitudes of work, it is now pictured as a barrier to learning about it. Schools, it is argued, teach things that are useless for jobs or careers; they are unresponsive to the vital curiosity that would arise in real-

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life situations; they keep adolescents in an artificial environment that prevents them from learning career skills. According to the recent rush of reports, the solution lies in getting adolescents out of schools into work situations; or bringing work into schools so they become more like real life; or somehow combining work and schools so that labor and learning can go together. While schools used to be regarded as a better way of preparing to work, work is now seen as a better way of preparing to learn.

The "career education" movement

This new reform movement has gathered substantial momentum since the early 1970's, spreading into thousands of schools. But it is not very easy to pin down the concept of career education, which by design or uncertainty remains vague. The United States Office of Education (USOE) defines the reform majestically as the "totality of experiences through which one learns about and prepares to engage in work as part of her or his way of living." Others call it a "renewal and expansion of vocational education aimed at reducing [students'] expectations, limiting aspirations, and increasing commitments to the existing social structure."[2]

Advocates of career education propose to reach young people from kindergarten through college with lessons and experiences designed to help them make "more informed" career choices when the time comes. These lessons vary with the students' ages. Gradeschoolers are exposed to adults working and information on different kinds of work. Junior-high-school students engage in "career exploration," presumably following their interests and aptitudes to learn more about jobs that appeal to them. High-schoolers either continue exploring careers or begin working in specific areas to graduate with a marketable set of skills. At the same time, teachers "infuse" career information into all aspects of the school curriculum at every grade level, thereby teaching students how everything they study—from art to zoology—has some bearing on the world of work. The goal of career education is to teach students about life by letting them into the workplace, putting them in close contact with adults, and giving them real-life, hands-on experience. Career education aspires to an annual crop of high-school graduates with immediately salable skills, whether or not they choose to go to college.

[2] Norton Grubb and Marvin Lazarson, "Policy 'Round the Workplan: Continuities and Fallacies of Career Education," *Harvard Education Review*, 45 (1975).

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The idea of career education is not to dispense with but to add to what schools currently do—and to shift the focus to work.

This conceptual looseness may help to explain the popularity of career education. Educators can make of it what they want without easily doing violence to the reformers' intent. Little specific information is available on the array of programs, but at last count, 9,200 of the nation's 16,200 school districts offered career-education programs to their students. At the state level, nearly every department of education has a career-education officer, and many states are mandating programs, or considering it. Nor is enthusiasm limited to public-school officials. Pronouncements of support are broad, coming from most business and labor groups, and virtually every major education establishment has endorsed the reform.

Money is in good supply, as well. Largely through the efforts of former United States Education Commissioner Sidney Marland, career education has grown from a series of pilot projects launched in 1971 with $9 million of USOE discretionary funds, to a bewildering assortment of programs, projects, and studies expected to cost $110 million by 1978. In addition, USOE's sibling, the National Institute of Education, budgets more than $24 million annually for career-education research and development. Both will spend considerably more if Congress approves the Perkins Bill (HR 11023), which will earmark $100 million annually to the states specifically for career education. On the coattails of this bounty, new curricula have been churned out; new school programs are being developed and disseminated; and education professionals are producing a profusion of books and articles. Career education is not just a collection of novel ideas, but a reform movement of considerable proportions enjoying widespread popularity.

The new romance of work

It is easy to see its appeal. For some years now the press has given front-page attention to research that seemingly showed a decline in the income value of college degrees. This news accompanied rising educational costs at all levels, prompting rather brisk questions about the value of formal schooling. These doubts were reinforced by other studies asserting that high-school dropouts did just as well in the job market as similarly situated high-school graduates. And all of this fell in with the findings of James Coleman and Christopher Jencks that schools had little or no differential impact on the academic achievement or adult success

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of their students. If schools were not a particularly effective way of getting better jobs for students later on, why bother going? Why not get jobs right away? Or at least train for them in school?

It isn't hard to see how such questions would occur to state legislators contemplating increases in aid to public education, or to parents contemplating college tuition fees that escalate rapidly every year. But these questions have had added force for public school administrators—who, after all, must manage American high schools. The building boom that began in the Eisenhower years produced large secondary schools in cities and suburbs all over the country. These large, comprehensive facilities became some of the leading wonders of the education world, the pride of the school boards and administrators who passed the levies and pushed the plans.

Or at least so it was before vandalism, school crime, easy drugs, and the youth culture's vocal anti-intellectualism swept over the urban scene. Those large buildings quickly appeared less like monuments to opportunity and learning than corrals for the unruly, inviting disaster. One after another, administrators concluded that the main effect of large high schools was to create a "critical mass" that stimulated crime, dope, and hostility to school. One answer was increased expenditures on police and school security. Another was getting students out of school.

The latter had once been nicely achieved by the draft, by suspension and expulsion, and by dropping out. But the draft was abolished; civil-rights reformers made suspension and expulsion complicated procedures; and dropping out always goes out of style when the job market is tight. By the early 1970's, students who didn't like school had fewer ways to avoid it. And to make things worse, by that time many school professionals had begun to believe the ideas preached by John Dewey and brought up to date by Paul Goodman: that school often *was* boring; that experience *was* livelier; that real apprenticeships *were* preferable to make-work shop courses; that contact with the real thing was better than embracing a standardized text. Connecticut's Education Commissioner, Mark R. Shedd, claimed in a news conference last year that getting all high school students out of the classroom and into the community for at least a year would not only aid teenagers, but also help teachers and administrators cope with problems of discipline and poor attendance.

All this is partly responsible for the currency and popularity of career education, but its real intellectual glue is the new romance

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of work. The reports and programs suggest that work is lively, while school is boring. Work is a preparation for adult life, while school simply reinforces an irresponsible youth culture. Work will stimulate curiosity and provoke learning, whereas school stultifies them. Work will provide meaningful contact with adults and help integrate youth into society, while school prevents socialization. The common thread in career education is the notion that work is authentic, real, and healthy, that it can solve problems created or unmanaged by the dull world of compulsory classrooms.

But this is reminiscent of the old idea that formal education would make up for the inadequacies of modern families, communities, and churches. And because much of the career-education movement rests on grand ideas about the saving power of real experience, we can expect that many of its aspirations will be frustrated. Career education rests on an appealing set of ideas about work and school, but these ideas are at odds with reality. As a result, efforts to implement them have perverse and unexpected results. For the most part, new programs aimed at getting children out of school only seem to succeed in keeping them in; the idea of providing children with the real experience of work has been transformed into programs that make work a formal subject of school studies; the notion of exposing students to real adults in the real world seems to result mostly in exposing them to adult professionals in the school world. Ideas designed to weaken the power of schools and expand students' experience have been captured by the education professionals. Somehow, experiencing work on the job has been turned into learning about it in the classroom.

One reason for this may be that work is not what reformers would like to believe. A great deal of work seems to suffer from just the same defects that reformers bemoan in schools; indeed, at exactly the same time they are trying to liven up education by making it more like work, other reformers are trying to liven up the workplace to make it more humane, stimulating, and relaxed —in a word, more like school. But more important, the social division of labor in America creates powerful barriers to any serious reallocation of responsibility among business, education, and labor.

Business barriers

One serious obstacle is the business world that is supposed to employ youth. The reports on work and school all suggested that

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new programs should involve business as an equal partner of the schools. The notion was that both employers and educators would design the innovations, manage the programs, and educate the students. Former Labor Secretary Willard Wirtz wrote that this partnership was essential to make the ventures work, the only way to prevent the programs from becoming variations on vocational education.

But as sensible as the notion of an equal partnership seems, there is little evidence that business agrees. A federally funded feasibility study of the idea in 1971 revealed that business was willing to get involved in these programs, but not on an equal footing with schools. Employers are willing to help as they have in the past—as information resources about different kinds of work, or as employers of a few students in work-study or cooperative-education programs. But they don't want to be responsible for designing programs and teaching. And they don't want to assume responsibility for students away from school.

This reality has gradually been incorporated into career-education programs. When asked what business is doing, one federal official mentioned the APAR Program in Portland, Oregon, and the Skyline Career Development Program in Dallas, Texas—both considered first-rate examples. But neither involves a new distribution of responsibility between business and schools. Rather, a consortium of local employers has sent representatives to advise schools in developing career-education curricula, to serve as a conduit between employers and schools seeking job-placements for teenagers, and to arrange site visits for classes of students. One federal official called such programs "traffic control devices."[3] Their chief function is to match school needs with business availability, "to avoid multiple requests to one business when another business could fill the bill." Without this sort of clearinghouse, he said, many employers would soon be overwhelmed and refuse to participate at all.

Visiting businesses hardly seems like a dramatic reform, or one designed to help youth reevaluate work. But USOE increasingly seems concerned with the logistics of proliferating career-education programs. "Some schools now have 40 to 50 per cent of their students visiting plants around the city, or in job-placements," one advocate of career education said, "but the goal is to spread these

[3] To protect the confidentiality of federal education staffers whom we interviewed, no names have been cited. Notes on our interviews are in our personal files.

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programs throughout the system, and when 2000 kids are knocking on employers' doors, we're going to have real problems. Employers won't be able to handle the numbers." Concern with visits seems central, but if one idea is to ease student access to the workplace, another is to protect business against a flood of youth. This is at best a somewhat ambiguous sign of business' commitment, and certainly shows no evidence of structural change in the relationship between work and school.

Beyond the local level, business and industry have been noticeably quiet on the subject of career education. From the "Fortune 500" firms, for example, which employ about 20 per cent of the American work-force, hardly a word has been heard. The one exception is General Motors (GM), which recently issued a policy statement on career education, committing the company to hire education coordinators in each of its assembly plants. But the policy limits GM's involvement to "cooperating," "advising," and "supporting the career-education effort." GM intends to help schools meet their objectives by providing classroom speakers and materials, and permitting students to visit plants. This doesn't differ much from what many employers—including GM—have been doing for years now, and staff at USOE agreed: "What's going on in career education consists mainly of career curricula delivered in the classroom, plant visits, and visitors invited into the school to speak about different kinds of work." Another federal official summed up business' role more succinctly: "Business isn't really doing anything different—it's just that some of the old programs have been relabeled 'career education.'" Even businesses that support the programs carefully select a familiar, limited role.

This isn't surprising, since work in America is structured to minimize the need for teaching and learning on the job. Both are cost-ineffective, and seem to clash with profitability. Nearly 70 years ago, business seized on Frederick Taylor's ideas about work efficiency and economy, and since then jobs have been increasingly fragmented and simplified to permit rank novices to be productive from the day they are hired. Skills that can't be instantly acquired are taught in the least obtrusive ways—in public or private vocational schools, apprenticeship programs, or in company-oriented classrooms set apart from the shop.

This is not to say that most businesses couldn't be restructured for teaching, and incentives devised to encourage it. Indeed, given the slack labor market and some workers' demands for job enrichment, restructuring with federal subsidies might meet a variety of

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needs. Some workers not needed in production might be employed as teachers, or an educational dimension might be added to some jobs that are narrowly defined. But supporters of career education tried to interest business in the idea a few years ago and were flatly rejected. Employers, it seems, feel neither qualified nor inclined to become more involved in schooling. As a result, the concept of equal partnership was abandoned. "No one talks about equal partnerships anymore," one federal career education official told us: "If you assume rational behavior, the investment just isn't worth the cost to business. People still toss the word 'partnership' around, but nobody knows exactly what that means. And for political reasons, no one is in any hurry to define it. Anyway, business shouldn't be involved in such things as evaluation, certification, and curriculum development. That should be left to school people —who know how to do it best."

It should hardly be a surprise that other education professionals agree with this. The National Association of Secondary School Principals (NASSP) issued an enthusiastic report about using business facilities and resources to spruce up schooling. But NASSP was quite clear that control of these programs must remain firmly in the hands of professionals. Providing students with out-of-school programs is one thing, but sharing authority and responsibility with business is quite another.

So one central idea in these work-and-school proposals has been quietly laid to rest: There will be no joint partnership. The hope was to dilute the influence of educators and standard school practices, expose students to work rather than school, and provide a better idea of what the adult world is like. As it turned out, however, nobody but the authors of the reports seemed interested. Employers are not prepared to become more involved in schooling: They feel they lack the training and organizational requirements, and they feel their major business is productivity and profits. Since professionals certainly don't want to share responsibility for education and weaken their control, employers will continue to help local schools in the same ways they have for years, and educators will control the curriculum and orchestrate students, as usual.

The resistance of labor

A similar problem underlies organized labor's response to career education. Labor leaders don't think that work is the solution to the problems of school; they are more attached to the old idea

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—that school will help solve the problems of work. This notion is the basis of recent efforts to democratize the workplace, to make it more open and humane—as school is thought to be. And it is the basis for labor's support of more formal education for more people. Labor leaders take a dim view of letting youth out of school and into the workplace any sooner. They think this can't possibly serve youth well; they think it will only work to the advantage of business; they fear it could be a union-busting or wage-cutting tactic.

One theme in labor's complaints is the movement's pro-employer bias. According to John Sessions, assistant director of the AFL-CIO Education Division, employers have most to gain from the career-education movement: "The emphasis is on getting kids out of school faster and on the job sooner. That goes hand in hand with cutting the compulsory school age, as well as the minimum wage. Well, over our dead bodies will we go along with a cut in the minimum wage [which has been proposed to compensate students for productive work]. If kids work, employers should be willing to pay them the full minimum wage."

The argument that different wage scales were designed to encourage youth employment, not rate-busting, is greeted by labor with some skepticism. But even the idea of students working at the full minimum wage isn't much more appealing. Students will still be an economic threat to adults holding entry-level jobs. And, Sessions says, students won't learn very much for all the trouble they cause: "The most available kinds of work for kids are educationally the least productive—work in hamburger palaces and laundermats. Lots of these places are small; some employ only two people. If a student works, he puts one adult out of a job. And at that, the person is probably a marginal worker, who will end up on unemployment. And what does the student learn about work in a laundermat? He won't learn anything about management—he'll probably never even see the owner!"

Labor officials do say they are "theoretically committed to the notion of work experience for teenagers." But when asked what sorts of union work students might perform, they become somewhat vague: "There are jobs kids could do—assembly-line work, for example. And students could do some apprentice work, such as bringing in stock, or working as helpers to journeymen." But it isn't clear how carrying supplies is more educational than flipping hamburgers; nor is it certain that unions using apprentices now would welcome a new pool of students seeking apprenticeships.

All this has had a considerable impact on career-education pro-

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grams. It has closed off a wide range of work to youth, and limited the jobs they can sample. An official at USOE underlined the point: "It's easier to put teenagers in non-union shops, but much of what they want to experience is unionized work. It bothers us to tell students that there are apprenticeable jobs out there, but that we just aren't going to touch them."

One way advocates of career education have tried to deal with labor's resistance is to limit the amount of time students spend on any job. "As long as students don't become productive," we were told at USOE's Office of Career Education, "they can work in the shop without pay, and there is no resistance from labor. The Department of Labor's rule of thumb is that people become productive after 13 days' work. So we can get around the non-pay issue by moving youngsters around a lot." This flies in the face of the notion that students should experience the deeper dimensions of work, developing relationships with workers and learning as much about adults as about jobs, or the tasks they involve. Worse yet, labor has other objections to this no-pay shortcut. According to John Sessions, labor is "utterly opposed" to placing students in a job for two or three weeks at a time. "In fact, it's an insidious idea," he said: "Many youngsters could outperform seasoned workers for just a few weeks, and go away thinking the job was great. They would form their conception of the work based on their short-term performance. But it's one thing to work on an assembly line for three weeks, or even three months. And it's another to work on that job for 30 years or more."

The irony is that some of labor's fears are self-fulfilling. Rather than providing deep or extended introductions to work, career-education programs can generally provide access only to marginal jobs, or jobs for which there is little demand. Labor resistance is one reason for this. As a result, students can learn little useful for career development, and the jobs seem unlikely to promote novel attitudes about work or adulthood.

Professional ambivalence

Ambivalence about these reforms is most apparent among school professionals. Many teachers like the idea of getting some youngsters out of school early, because they are troubled by difficult students. But most educators are also troubled about declining enrollments that put more and more teachers out of work. Professionals and their organizations thus oppose new programs that threaten to reduce

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enrollments deliberately. It is surprising that federal officials didn't anticipate this; as far back as 1967 it was no secret that the teacher shortage was over, and demographers were already offering gloomy predictions of steadily declining school enrollments. But several of the career-education reports that appeared at the turn of the decade cheerfully proposed reducing the time youth spend in schools, with nary a thought about teachers.

This naiveté may be understandable, for some of the reports were written by non-educators, and teachers' views don't usually find their way into heady proposals for reforming school. In addition, many of the reformers were motivated by the anti-teacher ideas of the late 1960's. In any event, the ideas for reform have provoked a major conflict within the profession that has had a considerable negative impact on the new programs.

One effect has been to weaken career-education programs in high schools and shift the focus of activity to the intermediate and elementary grades. "All the action is at the elementary level," we were told at USOE. A Peat, Marwick, and Mitchell study commissioned by USOE last year reported an inverse relationship between grade level and the amount of career education students receive. But this has had perverse results. Elementary-school children are furthest away from career choices, and work appears more abstract to them. But teenagers, for whom work is a more salient consideration, seem to be more interested in each other than in what they see on plant tours. The Packard Electric Company in Warren, Ohio, has had six years' experience giving tours and half-hour stints on the assembly line—mostly to sixth-graders, because older children are a problem. The director of this work-exploration program at Packard told us that they began with teenagers, but soon turned to younger children because "as they get older, kids are less interested in work, and fool around too much." USOE staff are concerned about this downward drift to younger children, but don't know what to do. One concluded that high schools, in fact, may be too early: "Career education programs really work best at the junior college level. Students there are closer to work, and take job exploration more seriously." That, of course, was what educators said of vocational training in high schools, from 1920 to the 1960's.

Several theories have been advanced to explain the failure of career-education programs to take hold in high schools. The current favorite—an old one for explaining school-reform failures—places the blame on teachers. "High-school teachers are discipline-oriented," we were told: "They are philosophically opposed to in-

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fusing career information into their mathematics, or English, or chemistry curricula." Many of them think students get too little of intellectual substance as it is, and they are hostile to the idea of giving any more time to "soft" subjects.

In any case, it is not easy to work career education into the curriculum. We asked one USOE official how teachers might infuse career information into Algebra II or American History, and his response was, "Darned if I know." He observed that an English teacher might use Dickens to teach "work values" and to show how much work has changed. But that isn't likely to help students make career choices now, or to learn about work in the computer age. Supporters of the idea are aware of this problem and know that retraining veteran teachers is often a fruitless pursuit. But even efforts to promote career-education training have met with little response. Teacher-training institutions are lukewarm, partly because their programs are also contracting, and partly because the remaining faculty are committed to their "disciplines."

Among the more serious professional opponents to career education, high-school guidance counselors may be the most intransigent. One reason is their long struggle to legitimize and dignify their specialty by working mostly with college-bound youth. "Now," we were told at USOE, "career education has come along, and guidance staff are back working with blue-collar kids. In the first place, most guidance people don't know the first thing about jobs; secondly, they're not particularly interested in learning. But they are usually the people drafted for career-education counseling, and they don't have much choice given the tight job market. So how do they deal with it? They resist—and spend most of their time managing logistics rather than counseling kids about job placements."

Logistics may be a safe refuge for now, but it probably won't be for long. Transportation is a vulnerable item on school budgets, and funds for moving students around have been shaved in the past year. Staff at USOE think plant trips will diminish as a result, and alternatives are being developed. One device gaining in popularity is the use of video tape to record career-education activities that students can't experience individually. Some districts, we were told, make tapes of the plant visits of one class and show them to others unable to make the trip. And students are also filmed "shadowing" workers who can't be followed by everyone. The reasons for this may be economic, but the effect is to transform career education into a familiar, vicarious school activity. Films and career curricula, not real work experiences, become the rule.

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Project Discovery, a career-education program developed by the Iowa State Department of Education, is another example of this. Ray Morley, a consultant to the program, says, "Project Discovery is designed to get students actually doing things." This "hands-on career-education effort" consists of packaged materials and instructions for different kinds of work. Over the past four years, Iowa has spent over $1 million developing 20 "career kits" that, according to promotional material, are designed to "permit students to experiment with many characteristics of work in the 'safe' environment of the school lab or classroom." These self-instructional packages are currently available for commercial art, hairstyling, advertising, auto-body repair, plumbing, greenhouse work, and medical patient care, among others. The masonry kit, for example, includes a mortar box, wire, a patio-block form, and a line level—along with instructions on how to use them. The school provides trowels, bricks, and concrete blocks—all that any mason needs. This is a far cry from students working side-by-side with a mason, but Ray Morley reports that career-kit sales are brisk, at $2,550 for a set of 20. The producers of Project Discovery plan to develop 60 additional career kits.

It is difficult to understand what students can learn about work this way. And it is harder still to understand how career-education curricula and films promote initiative, responsibility, and healthy work attitudes. According to one USOE official, job simulations and video tapes are a poor substitute for programs that take students into plants: "They miss the smells, the sounds, the whole ambience," he said. He doubted that students learned much about work in school, but thought it was better than nothing.

The response of teachers to career education thus parallels that of business and labor. School professionals still feel that education is the best preparation for life, but even if their ideas about the enlightening effect of schooling have been dulled by experience, professional self-interest dictates opposition to major structural changes. Just as business participates in career education by performing such familiar functions as plant visits, teachers also draw on the familar—inviting speakers to class, showing films about work, and managing the administrative details of placing youth in jobs.

A reform manqué

So an innovative movement designed to produce structural change seems to have been changed by the structure. The implementation

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of career education has mostly produced programmatic parodies of the original ideas. One wonders why this happened, and what it implies for efforts to reform the relationship between work and school.

One reason things turned out as they did is that the social division of labor simply overwhelmed the reform. The notion of using work as an alternative to formal schooling and as a stimulus to learning is appealing in many ways. But it seems to have had too little concrete appeal for too few. Teachers would like to get difficult children out of their classrooms, but it seems risky in a time of enrollment decline and job shortages. Some businessmen like the idea of exposing students to the world of work, and others like having students as employees or interns, but most business organizations are too concerned with productivity and profits to bother with more than a few visits or lectures. This belies the labor movement's fear that career education is a rate-busting, anti-union gimmick, but the fear has nonetheless helped to limit serious work opportunities for adolescents. And all these factors are given added force by a sluggish economy and high unemployment rates. "Letting teenagers out of school to work may be a great learning device, but it isn't viable today because it's really a full-employment idea," according to Walter Davis, education director of the AFL-CIO. Stagflation is not exactly a powerful stimulus for innovation.

Of course, this doesn't prove that the innovative ideas are wrong. Perhaps it only shows that the established order perverted a sound reform. And there is at least one very small program, still in its early development, which has met with more success.[4] But other forces besides the power of established institutions account for the sad fate of most career-education programs. One is that the movement is a professional phenomenon. The reform was not the brainchild of businessmen eager to reorganize the division of work and enrich their experience through teaching; nor was it the creation of workers bored with their tasks, seeking to improve their work and deepen their relationships with youth. Instead, it was conceived by university academics and public-school reformers, based on their pained vision of what was wrong with adolescents and school. As a result, like many other social programs, the career-education movement turned out to rest on a very narrow grouping of interests and to express a very narrow range of opinion about the relationship be-

[4] The National Institute of Education has supported one program—Experience-Based Career Education—which seems to have produced some real changes. At present, it operates in a few heavily subsidized demonstration schools.

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tween education and work. As the programs were implemented, the reformers discovered just how diverse the competing views were. Far from winning converts, the reformers only seemed to have accentuated the divisions of opinion about work and school.

Indeed, the brief experience with this reform suggests that there are powerful competing fantasies about the relationship between school and work that are a serious impediment to change. The reformers see school as a pallid bore, and they think that real experience can teach many students more of the things they need to know. They think work is often a much more potent stimulus to learning than school. They think real experience should redeem the barren lives of students trapped in classrooms.

But vast segments of the society disagree. The spokesmen of organized labor think that much work is dull and intrinsically unsatisfying, and they see school as a redeeming force. As society becomes more modern, they think more work will become routine and mundane. As a result, they expect that people will need to find satisfaction in other things, and that school can help them. Thus they see career education as a move in the wrong direction, an effort to prepare students for adult lives narrowly defined by work. Career education, they fear, will make school parochial, and limit opportunities to find fulfillment in other parts of life. "Career educators give only passing attention to other purposes of school," one labor official said, "but there is a lot more to education than preparing kids to hold jobs. They need to learn to fulfill themselves, to understand and appreciate our culture, to become informed consumers. People don't necessarily fulfill themselves in a job."

Fantasies about modernity

These differences are important, for they reveal two important areas of ambivalence caught up in the career-education movement that help explain both its broad appeal and its weak implementation. One area concerns the sort of education that will be the best preparation for life. The old fantasy is familiar—the chief purpose of education is to expand opportunities and increase the potential of students to lead full and satisfying lives; education is an advantage that should be equally available and encouraged by delayed entry to work. By contrast, career education seems a newer fantasy—that schooling often impedes the preparation for life, and reduces the opportunity to find meaningful relationships with adults and to acquire economic and social skills.

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But while the ideas seem novel, this recent reform movement evokes an old American conflict concerning modernization. School has seemed the best preparation for an industrial and highly technological society for more than a century now, but it also struck Americans as a necessity only because older institutions—family, apprenticeship, and community—seemed to have been severely weakened by modernization. Schools were needed because it seemed that socialization and career skills could no longer be provided on an informal basis in natural settings. For generations this diagnosis seemed to lead inexorably to the notion that formal schooling should replace informal learning on the path to adulthood. Now, because of spreading disillusionment with the effectiveness of schools, it seems that a return to informal learning is a better way of solving the problems of modernization. Of course, this ambivalence has never been far from the surface of American life. Many reformers of Horace Mann's generation sang the glories of informal learning in earlier, simpler communities—just as they organized madly to establish the formal schools that would meet the needs of the modern industrial age. And in a later version of the same story, John Dewey opposed his ideas about learning through experience to what struck him as the arid, empty formalism of the educational systems so recently established. Dewey's ideas later became parodied by the "Life Adjustment Education" movement, and career education promises to continue this tradition. Americans have long been torn by competing fantasies of modernity and competing ideas about the sort of education that will help, but whichever dream they choose, their expectations have been extravagant.

There is a related ambivalence concerning formal and informal institutions, and a similar pattern of high hopes. Modernization has long struck many as a destructive force, nearly sweeping society off its foundations, but from this dark diagnosis the ideologists of both formal schooling and informal learning have brought forth sunny and hopeful notions. Whether it is getting children into schools or out of them, reformers in both camps have thought that reshuffling institutions would overcome the threats of modernization. This is another familiar pattern of the history of social reform in America. When existing institutions seem inadequate to respond to changing social conditions, reformers frequently propose to loosen the boundaries between formal institutions and the larger society. They seek to shift responsibility from formal organizations to informal social arrangements. The recent call for penal reform, for example, centers on breaking down barriers between prisons and

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society by integrating inmates into the community through work-release programs, furloughs, and halfway houses. The notion is that community has a curative effect, that it offers more effective treatment than the institutions themselves. This notion has strong populist roots, and it evokes images of a simpler time in which people cared for each other through the bonds of family, community, and religion. The hope seems to be to recapture the past by creating it in the present.

This hope is easily nourished by the apparent ineffectiveness of formal institutions, for they regularly fail to live up to expectations. Formal schooling doesn't help train many who would prefer to be elsewhere, and it doesn't help those unfamiliar with the school culture, or those put off by it. Nor does schooling solve all the problems it has been supposed to, whether family decay, worker training, poverty, or auto accidents. This should be no surprise, since formal schooling is only a minor influence on students affected by much more powerful social arrangements—family, ethnicity, social-class or economic-class membership, and the like.

But the hopes for informal learning nourished by these failures are set on similarly frail foundations. In the division of labor produced by modernization, formerly private responsibilities—caring for the old, socializing the young, protecting and controlling deviants—have increasingly been committed to public experts. Now, when reformers call on the commuity to reconvene, the relevant people or institutions often have neither the time, nor the resources, nor the bonds of personal acquaintance, nor the motives to respond. The informal social arrangements supposed to assume the roles of failed formal institutions are not there in much strength. As a result, grand hopes such as those for career education fail to produce much in practice. The dreams of informal learning and community education regularly fall victim to the realities of a complex and formal social division of labor.

In a sense, these two areas of ambivalence frame the structure of social policy in education, and it would be foolish to think that there are simple ways to resolve them. But two points may be useful. First, these contrary fantasies about coping with modernity may themselves be part of the problem, for they often involve exaggerated ideas about both the damnations of modern life and the saving grace of either formal institutions or natural experience. Second, in seeking to deal with the inadequacies of formal institutions, it might make sense to recognize the limitations of informal alternatives in this post-industrial world. If the experience in penal

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reform, mental health, and juvenile justice is any example, it would probably pay to think in terms of inventing new community institutions—or offering strong inducements and supports to existing ones—rather than supposing that informal institutions will more or less naturally pick up the slack. Informal education and experiential learning may make sense, but they seem unlikely to find their way into practice without more institutional support and social inventiveness than current fantasies have mobilized. Lacking these things, innovative programs like career education seem likely to slip into the chasm between extravagant hopes for the natural and informal, and the realities of an increasingly formal and specialized social structure.

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A Marshall Plan for cities?

NORTON E. LONG

THE nation's mayors, meeting in Chicago, have sent their plea for aid to the President-elect. Unfortunately, although they indicated what they would like the nation to do to help the cities, they appear to have remained silent concerning what the cities are prepared to do to help themselves. A review of our foreign-aid experience may help to clarify some of the problems of mounting a program of domestic municipal aid on a comparable scale. For example, a Marshall Plan for cities has frequently been advocated, notably by the late Whitney Young. However, the idea has been little more than a catchy slogan to symbolize big federal dollars and contrast our willingness to aid in the recovery of Europe with our grudging support of our own cities. Consideration of the Marshall Plan and the reasons for its success and the failures of our programs elsewhere than in Europe has much to offer those seriously concerned with structuring a federal aid program with any real promise of achieving for our cities what the Marshall Plan did for the nations of Europe.

Since a major proposal of the mayors was to establish an urban-development bank similar to the World Bank, one might have hoped that they had at long last come to recognize the necessity of restoring the viability of the local economies of the cities. If

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there is one thing our foreign-aid experience should have taught us, it is that we can only help those who are ready, willing, and able to help themselves. Failing this, what results is a welfare program that merely postpones the day of reckoning and deepens dependency. The first point about the Marshall Plan, usually completely disregarded by advocates of a similar plan for our cities, is that it was designed to restore the war-ravaged economies of European nations. It was a program of investment to replace entire industries, not just a program of income redistribution and maintenance to restore and sustain a standard of public and private consumption. It was only concerned with maintaining consumption until its major investments revived the economies of the European nations and restored them to self-sufficiency. No comparable plan for restoring the local economies of our cities to self-sufficiency has been envisaged, let alone formulated. Indeed, there is little or no understanding of cities as entities with local economies that must produce as well as distribute, and redistribute the wealth that permits public and private consumption. We must conceptualize these local economies and ask why some have become inadequate to meet the demands and genuine needs of private and public consumption.

A second point that is highly relevant to a federal program for cities is that the individual countries under the Marshall Plan were responsible for making the integrated plans for the recovery of their economies. These plans were not dreamed up in Washington, though the United States government had some voice as the banker for the program. It is impossible for Washington to make plans that meet the individual requirements of thousands of more or less unique local economies. The narrow interests of the Washington bureaucracies, their state and local counterparts, and the forces that they represent could scarcely, if ever, cooperate in the formulation of an economic plan for a city, or subordinate their concerns in the unlikely event that such a plan were adopted. And given the realities of the other pressures at work, the interests of suppliers, unions, and other producers would overshadow those of the local inhabitants.

Our experience with plans and planning has been depressing, for the most part. To a large degree, planning requirements in federal legislation have produced expensive busy work, clearance problems, and empty ritual. For example, some serious purposes were at least originally entertained in the proposal requirements of the Model Cities program, but the cities lacked the capability to

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formulate appropriate proposals. The resultant widespread use of consulting firms thus negated the very reasonable assumption made by the Department of Housing and Urban Development (HUD) that a city whose staff could not formulate a proposal could not be expected to carry it out. Despite the seeming wisdom of HUD's position it proved practically impossible to maintain. But this lesson appears to have been lost on those who need most to profit from it.

The federal government cannot depend on the cities to make competent plans for the revival of local economies. Their failure to use revenue-sharing funds in a serious way to begin restoring local economies indicates what might well be the fate of larger funds. Only recently has serious work in urban economics begun. Conventional municipal finance has remained innocently unaware of the relationship between fiscal solvency and the state of the local economy. Cities haven't even started to keep ledgers acknowledging that, like countries, they must pay for their imports with exports, and what they cannot pay for they must either produce themselves or do without. City expenditures are treated as pure "merit consumption," and not as investments of scarce resources that, to some important degree, must generate a return if they are to be sustained.

The federal government must help cities develop adequate conceptualizations of their local economies to facilitate competent plans for improving them through appropriate investments and other measures. Washington must also assist in the training and supply of competent staffs to do this economic analysis. In addition, it must exert continuous pressure, without masterminding, to insure that resources are not dissipated, but employed in ways that hold genuine promise of aiding fiscal recovery. The cities should be assisted and pressed to plan for their economic recovery; at the same time, they should accept and demand the responsibility of coordinating the appropriate federal programs—in health, housing, education, manpower, law enforcement, and the rest—in a concerted effort to improve the local economies.

Only when federal policy descends to the concrete context of the local community can we measure both its intended and unintended effects. The local communities are the socioeconomic cells of the larger body politic. Only when these cells are healthy can the nation be healthy; a nation of sick cities is a sick nation. We therefore have to regard them as functioning social organizations, a view largely ignored by macroeconomics and census data alike. Because

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cities and local communities do essential sociological and economic work, we must come to grips with them both as testing grounds for policy and as building blocks of a sound national political economy.

The problems of restoration

The experience of the Marshall Plan should also indicate the differences as well as the similarities of the economic problems involved. The economies of many of our cities have been ravaged, but not by war; and while our cities have experienced quite palpable physical devastation, for the most part it has not resulted from shelling by an organized enemy. Most important, as we discovered when we extended foreign aid to the underdeveloped countries, the economies of the European nations were already going concerns that only needed tiding over to restore them to health. Unfortunately, this was not the case with the underdeveloped countries, nor to an important degree is it true of troubled cities.

Although crime, vandalism, and riots are far from unimportant, physical devastation accounts for only some of the problems besetting city economies. The relatively straightforward task of physically rebuilding Europe under the Marshall Plan was quite different and far simpler than the task of restoring our cities. The contemporary analogue of the wartime destruction of the European economies is the disinvestment in industrial and residential areas that manifests itself in empty, blighted, gutted, and abandoned factories, office buildings, warehouses, lofts, houses, and apartments. The reasons for this disinvestment have to be faced if the process is to be halted and reversed. The single most important explanation is profitability. For many reasons, the costs in many cities have become far out of line with those prevailing elsewhere. Hence the search for profit entails disinvestment in existing industry, as well as the failure to attract new investment. The mayors will find that federal low-interest loans will not by themselves produce any fundamental change, and will in fact simply mask the problems they are designed to cure.

A variety of factors account for this adverse cost differential, which affects whole regions. The Northeast in general and New England in particular have suffered the loss of manufacturing jobs; within the region, the decline has been particularly severe in Connecticut, the Hartford area, and especially the city of Hartford itself. We know some of the environmental reasons for high regional costs—for example, energy shortages. But there are ad-

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ditional and more important cost differentials that cannot be charged to such adverse factors as geographical resources. Alice Rivlin's study of the fiscal plight of New York City pointed out that a large number of the welfare population could have been employed if New York had the kind of jobs available in South Carolina. What the Rivlin study did not discuss was why those jobs had relocated to the South. The study accepts this condition as a fact of nature rather than an avoidable and possibly reversible self-inflicted injury.

It is odd that with the vast migration of low-skilled Southern blacks and Puerto Ricans to Northern cities, there has been little or no recognition that they would need precisely the kinds of low-pay jobs we have been driving out. We have lived in a kind of dream world with respect to both housing and jobs. We have used conveniently deceptive labels like "slum landlord" and "substandard employer" to avoid facing the hard truth that, except for token exceptions, poor people will get the quality of housing that the market can provide, and low-productivity labor will also suffer the constraints of the market. No one except the real-estate industry asks how a landlord could make a profit renting standard housing for substandard rents to people with substandard incomes; no one asks how an employer could avoid bankruptcy paying high wages to low-skilled employees. Yet these questions must be confronted and answered if we are to solve the cities' economic problems, rather than avoid them with self-serving rhetoric.

As Bennett Harrison and others have maintained, our policies have tended to subsidize the "dual labor market." There is reason to believe that we have been busily driving out the lower half of the primary labor market—jobs in textiles, the garment industry, foundries, brick kilns, and the like. Welfare has acted as a kind of tax by making these jobs unattractive, even though the annual wage they generate is considerably higher than welfare payments. What results are local economies with great gaps between the well-paying jobs of the primary labor market and the other work alternatives found in the secondary labor market. The latter provide only dead-end, intermittent, high-turnover work with marginal employers in low-profit, low-capital enterprises.

The wages of social disinvestment

There are important social and psychological consequences for the individuals and communities afflicted with these employment

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problems. As Freud pointed out, the job is the most important factor integrating the human personality. Where it provides little or no respect for oneself or others, the effect is debilitating, especially where there are no other institutions adequately performing the same function. The loss of meaningful participation in the mainstream economy has resulted in neighborhood decay, social disorganization, crime, vandalism, blight, and housing abandonment—all the phenomena of crisis associated with the ghetto. A seemingly cancerous process leads to the rapid destruction of sound housing and stores in neighborhoods populated by those trapped on welfare or in the secondary labor market. Their incomes are inadequate to maintain their properties. The constant moves to evade paying the rent not only force properties into rapid obsolescence, but also undermine neighborhood attachments and social control, and result in a turnover of school populations that signals educational failure.

Frank Kristof has shown how the destruction of sound housing in New York City has outpaced new building. He argues persuasively that the city and state rent-control policies have had a perverse and destructive effect on the housing stock and the poor, the intended beneficiaries. But despite all this, Kristof is forced to admit that other cities unburdened by rent control are also losing sound housing because of spreading social disorganization. The destruction of our cities' housing capital through blight and abandonment is only the most visible symptom of the crisis of the ghetto. But despite the obvious concern for those who flee, if this process is to be halted and reversed, the most serious concern must be for those who remain—the victims and agents of social decay.

Constitution Plaza in Hartford and Pruitt-Igoe in St. Louis symbolize the failure of the brick-and-mortar approach to urban problems. HUD and the cities have been far more interested in physical rather than social structures, in physical rather than social capital. But gleaming central business districts surrounded by festering, crime-ridden, spreading slums, plagued by drug addiction and unemployment, bear witness to the truth that cities do not live by brick alone. A committee of the National Academies of Science and Engineering was asked to recommend a program of urban behavioral research to HUD. Even the engineers were emphatic that our knowledge of technology far exceeded our understanding of the social conditions necessary for its application. Despite all this Operation Breakthrough was the major HUD effort.

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Cities without citizens

To understand this persistent and seemingly perverse concentration on bricks and mortar, it must be realized that the unions, construction industry, real-estate industry, banks, insurance companies, architects, planners, federal bureaucrats, politicians, and media all have something to gain, even from building uneconomic monuments. We have not yet learned to put together an equally powerful coalition to strengthen social structures, whose building materials rarely provide remotely comparable profits or other rewards. But once again, our foreign-aid experience is instructive. Outside of Europe, foreign aid frequently led to elite enrichment, black markets, military hardware, inflation, and misdirection of resources. Many of our federal domestic-aid programs have had similarly sorry results. In effect, we have created systems of perverse incentives that stimulate investments as tax gimmicks rather than producing jobs, that co-opt indigenous leaders and foster neighborhood disintegration. We have bred municipal inflation and undermined productive local economies—in the name of benevolent intentions toward cities, the poor, and the minorities.

The federal government has generated harmfully unrealistic expectations without recognizing its incapacity to fulfill them. In the judgment of Anthony Downs, the Johnson housing goals, which were never formally abandoned, would have required a national effort in housing comparable to waging World War II—an effort that, if made, would have had disastrous effects on other social needs. As another example of unrealistic expectations, the Department of Labor was recently quoted as asserting that "the typical family of four requires $15,500 a year to maintain a moderate standard of living." The Department of Labor did not say how untypical such an income was, or what level of GNP the nation would need to permit the typical family to have that income. The impression leaps to many an impressionable mind that wages under $15,500 should be regarded as untypical, and hence substandard. As another example, labor leaders in St. Louis were aghast when they learned that top companies in the city were paying only $9,000 a year—with the city fathers and the media, they have been busily putting the axe to three fourths of the city's jobs as substandard. But neither they nor the federal government has ever bothered to find out the actual distribution of wages. Nor are they in the least concerned with what the businesses they have been driving out can afford to pay in wages yet remain competitive.

In a piece entitled "Should Every Job Support a Family?" (*The*

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Public Interest, No. 40, Summer 1975), Carolyn Shaw Bell argues that although a fair number of jobs will support a single person above the poverty line, far fewer will offer similar support to a single-earner family of four. A recent study of incomes in New York City found that multi-earner families had the best chance to be above the poverty line. Thus, strange as it may seem, it hurts rather than helps the poor to drive from the city those jobs that will not support a family of four. A realistic appreciation of the actual array of wages and the wages different employers can afford to pay indicates that a genuine concern for the welfare of the poor would lead to a strenuous effort to expand the employment opportunities of all family members, including the aged, the young, and the handicapped. It is a curious benevolence that limits the existing options of the poor while providing no superior alternatives. Yet such has been the direction of union and liberal policy, and of many business conservatives as well. Perhaps the practices of the American farm family rather than the affluent are a better guide for improving the condition of the poor.

Unfortunately, the values that only the affluent can afford dominate our thinking about what should be done by those whose circumstances make such values an insupportable and even disastrous luxury. The poor cannot afford to emulate the rich. Idleness may be attractive for the jet set but it can become a nightmare for the poor. The rich can afford individualism, privacy, and the indulgence of an anarchical libertarianism in their personal lives, since they are securely supported by a corporate order. The poor must help themselves; they cannot afford the luxury of either purchased privacy or purchased security. Despite the claim that the police and the legal order will provide security for the poor and the working class, we know this to be a liberal myth. Neighborhoods police themselves. The liberal who does not blink at the use of union muscle to produce a closed shop decries as fascistic any attempt to produce a closed and physically secure neighborhood. Organizations are good for unions and corporations, but a powerful territorial organization is anathema to police and civil libertarian alike. Our dominant liberal ideology denies the necessity of social control and acts to denigrate and undermine it where it exists. In practice this is to preach social disorganization in the guise of defending liberty and individualism, and to recommend flight as the only realistic remedy—for those who can afford to flee. But society dissolves without a normative structure with motivated, committed citizens.

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For some time we have supposed that we could operate cities without citizens by treating legally franchised, casual voters as if they were a functional equivalent. We are beginning to learn that the normative order on which our cities depended in the past was not the product of their formal governments but of the many informal governments of their ethnic neighborhoods. They provided the social control for the working class and the poor, not the Irish cops, whose relation to the city resembled nothing so much as that of the Mamelukes to medieval Cairo. These neighborhoods —cooperative social organizations founded on a normative order, social control, and trustworthy leaders—are the social capital truly analogous to Europe's war-ravaged industries. The halting and reversal of the processes leading to their destruction, and the provision where possible of viable substitutes, are what an effective federal aid program for cities should be about. Such a plan would have as a major goal changing the present federally sponsored system of perverse incentives that contributes so much to the cities' woes. William Skinner, the eminent Stanford anthropologist, has shown how the overseas Chinese maintained their informal governments and their family structures under the most hostile environments for thousands of years. It is only now, with the corrosive influence of American cities, that the Chinese family is breaking up.

The road to the "reservation"

After this bleak picture of decay and disintegration, people want to ask for a solution. There are no easy answers, but there are indications of the form a solution will have to take, in neighborhoods and institutions that are resisting and even overcoming social disorganization, and recreating local social structures. This is the kind of capital a Marshall Plan for cities will have to help build and, just as importantly, prevent from being subverted and destroyed. In St. Louis, the famed Italian Hill and the St. Ambrose Church—recognized even in the Soviet Union—offer an excellent example of what Gerald Suttles calls a "defended neighborhood." The Hill is a working class neighborhood of 30,000 to 40,000 residents in tiny houses on small lots; almost anywhere else it would have become a slum. After visiting the other attractions of St. Louis—the Arch, Busch Stadium, and Pruitt-Igoe—visiting foreign officials were brought to the Hill to see one healthy, hopeful part of the city. Here, in an old, low-income neighborhood, the houses

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are well kept up, the streets are clean, people help each other, the kids are well brought up, the streets are safe, and housing values are stable and rising. This is an example of the kind of social capital an urban Marshall Plan would seek to create, if possible, and maintain. But when these foreign visitors asked at a neighborhood party what the city, state, and federal governments had done for the Hill, the answer was, "Not a god-damned thing." There was a short addendum: "Yes, the federal government, the city, and the state drove a super highway right through the neighborhood and we had to fight like hell to get [Transportation Secretary John] Volpe to build a bridge to keep the neighborhood together."

The Hill is often dismissed because it is both Italian and Catholic, two factors that supposedly make it unique. The example of the Italian Hill does not show that such a neighborhood can be created amid adverse conditions out of the unpromising material of most city slums. But the experience of the Muslims and the Puerto Rican evangelicals provides ground for hope that even there trust and order can be brought into being. Perhaps this seems surprising only because we have forgotten that the early Christian church was a kind of guerrilla government ministering to slaves, outcasts, and even criminals in the rotting structure of the Roman Empire. Clearly such a force provides stronger political medicine than the laissez-faire, civil-libertarian individualism our Republican and Democratic parties are prepared to administer.

The question is whether the city can halt its present path toward becoming an "Indian reservation"—a poor house, with a set of suburbanized keepers (cops, school teachers, welfare workers, and other municipal bureaucrats), that surrounds a central business district protected by barbed wire—with anything less than a renewed social structure of committed citizens. Failing that, the path toward the "reservation" is the line of least resistance and greatest gain for those having a vested interest in what our brick-and-mortar and welfare politics represent. Can a coalition of black, Puerto Rican, and ethnic neighborhoods be built to support a city leadership that can master the brick-and-mortar coalition in the interest of the city's inhabitants? Can such leadership program both the local and the federal vested interests to restore a viable community political economy? These questions can only be answered by those who must fashion concrete answers out of the materials of their cities. What such leaders can do is to demonstrate that they understand the nature of the job and the form

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answers will have to take, and that they will make the lifelong commitment required to turn their cities around.

A Marshall Plan for cities will need much more than sunshine patriots. We have learned that the new states of the world require nation building. We have to learn this also applies to us: Our cities and their citizenship require renewing, as well as brick and mortar. This will require city builders whose job is as important as the nation builders of the new countries. In fact, the rebuilding of our cities is the rebuilding of our nation—though, incredibly, we do not realize it. Until we do, a Marshall Plan for cities is likely to come, however disguised, as an act of federal compassion or guilt or worse, as an intervention through the masterminding of an urban Vietnam, rather than as a diagnosis of our collective condition and a concerted, pluralistic effort to put the nation's economic and spiritual house in order. The mayors will find that seriously addressing the problems of our cities requires a politics of civic and moral reconstruction that far transcends central-business-district renewal, mass transit, low-interest loans, or the shifting of the burden of welfare to the shoulders of the federal government.

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Corporate planning versus government planning

MURRAY WEIDENBAUM & LINDA ROCKWOOD

THE widespread use of planning techniques in private business has led many observers to draw parallels to government planning. Senator Jacob K. Javits, a leading advocate of national economic planning, has stated that "if corporations are to take a look at where their companies are heading, it seems appropriate for the government to do the same." Well, yes—and then again, maybe. It all depends on what is meant by "planning," which can connote a variety of different things, depending upon the context.

Talk about "corporate planning" and "government planning" in the same breath disregards the fundamental distinction between members of a society forecasting and reacting to the future, and the government of that society trying to regulate or control it. Corporate planning is necessarily based on the corporate purpose, which is to attempt to persuade consumers to buy a firm's goods or services. Activities aimed at implementing the plan are in the main *internally directed*—for example, toward improving products, sales

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techniques, investment practices, or other aspects of a company's operations. In striking contrast, the government is sovereign, and its planning ultimately involves the use of its power to achieve the results it desires. Its influence is *externally oriented,* extending its sway over the entire society, including redistributing the resources of that society through taxation, regulation, subsidization, and procurement. Unlike a private organization, government may not only plan, it can also command. While a business firm can set goals only for itself, government can establish goals for society as a whole.

It may be useful to take a closer look at the options open to government to effect a particular goal. If the government decides that the American public is not buying enough cars, several courses of action are available. It can lower the price for the consumer through tax reductions on the automobile industry. Or it can reduce the individual income tax, thereby increasing the consumer's purchasing power. Or it can subsidize the private manufacture of automobiles, or even purchase outright the total output of the automobile industry. In recent years, the government has clearly demonstrated a willingness to involve itself in the production of motor vehicles, at least to the extent of deciding by fiat many aspects of their design and operation, through safety and environmental regulations. Senator Hubert H. Humphrey, sponsor of the major national planning bills, has made the point vividly:

> What can government do about it? Government can do a lot about it. For example, the size of automobiles, and consequently energy consumption, can be influenced a great deal by taxing cubic displacement, horsepower, or weight. A tax will slow down purchases of large cars and give a premium to small-car buyers and buyers of cars with high fuel efficiency. Government can also influence industry by giving an investment tax credit to companies that produce fuel-efficient automobiles. These are just two ways in which government policy can influence the private economy.

In contrast, what can Ford, General Motors, or Chrysler do if they are not selling as many automobiles as planned? They can—within their available resources—lower the price (and their profits), change the nature of their product, or alter their marketing efforts. Or as evidenced by the demise of the Edsel, the LaSalle, and the DeSoto, at times they may be forced simply to abandon the project. The consumer remains the ultimate decision-maker as to both the number and kind of automobiles produced.

Business and government planning are further distinguished by the consequences of errors in planning. If a corporate plan proves

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inaccurate in its assessments of the future, or inappropriate to changing circumstances, the onus falls on the officers, employees, and shareholders of that company. Government planning, by contrast, focuses on "guiding" or "influencing" the activities of the entire nation. If things go wrong in public-sector planning, the taxpayer and consumer will bear the brunt of the burden of any adjustments that result.

Another basic difference between business and government planning relates to the intellectual dimensions of the effort. Corporate plans, concentrating in detail on individual sectors of the economy and on factors likely to affect their industry, are relatively succinct. Corporate executives can and do read and understand them. Government planning, on the other hand, necessarily focuses on all economic sectors and their interrelationships. In the words of Wassily Leontief, who has provided much of the intellectual leadership in the current drive for national planning, "A national plan would look like the statistical abstract of the United States." That abstract, published annually by the United States Department of Commerce, contains in the neighborhood of 900 pages of fine print and tables. In fact, Professor Leontief is too modest. After Congress completed its deliberations on such a comprehensive plan, it would likely be two or three times as long. And how many members of Congress would then comprehend the overall intent or implications of the plan they were to approve?

But whether they would understand it or not, they would have set in motion powerful forces. Advocates of national planning have denied that they would set specific goals for General Motors, General Electric, or General Foods. But what if the activities of these companies in the aggregate did not further the goals of the plan? Would the results be left to chance or to the market mechanism to resolve? Hardly. Proponents of national planning state that the planning office "would try to induce the relevant industries to act accordingly." As Senator Humphrey has described the long-range economic-planning section of the Humphrey-Hawkins bill:

> . . . it provides a way for us to look at particular industries and sectors and see what kinds of objectives and policies we ought to establish in those sectors. This will enable us to understand *and manage* the supply side of the economy much better [our italics].

Even a cursory examination of the literature on American business planning shows that private planning is intended to be far more than improved information accumulation and analysis. Al-

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though definitions developed by individual scholars vary, most are variations on the theme that the planning process encompasses an evaluation of the future through the determination of desired objectives, the development of alternative courses of action, and the selection from among these options. In *Long-Range Planning for Business,* David Ewing offered perhaps the most terse assessment of the concept: "Planning is to a large extent the job of making things happen that would not otherwise occur."

The proponents of centralized government planning do not leave the matter in doubt. They clearly state, "The heart of planning is to go from information to action." They go on to indicate, in the words of the Initiative Committee for National Planning, that "in order to be effective and useful, an Office of National Economic Planning must be set up at the center of our most influential institutions." General Motors is certainly such an institution.

Planning experience in business

Postwar business planning has generally undergone two distinct phases, although many corporations have not yet made the transition to the second phase. The first was essentially an extension of long-range budgeting and sales forecasting. Past and present performance was simply extrapolated into the future on the basis of rather rudimentary techniques. The implicit underlying assumption was essentially passive—that business would respond primarily to current market forces rather than attempt to influence future developments.

The second phase is more activist in outlook. It seeks to identify the major issues and options facing the corporation in the future and to indicate possible new courses of action. It is basically predicated on the belief that the pace of technological and environmental change is more rapid now than in the past, and that information about change is now more available.

With the rapid growth of planning staffs, planning documents, and planning personnel, what has been the impact on the companies themselves? In practice how significant have the planning efforts turned out to be? Frankly, there are few objective measurements of this essentially subjective activity, and the experience among companies varies widely. However, we can benefit from the comments and evaluations provided by thoughtful observers of the business planning process. Their analyses have often yielded unfavorable prognoses for corporate planning.

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In his classic study of long-range business planning, David Ewing concluded, "The paradox is that the planning movement, despite such strong motives to make it succeed, has not generally been blessed with success. The triumphs have been stunning—but few." In his summary of the state-of-the-art, Robert J. Mockler concurs with this evaluation, reporting that relatively few companies have developed effective planning operations—although many have tried. These evaluations tend to accord with a detailed survey made a decade ago of planning in the government-oriented defense industry:

> . . . inquiries were made into the role that formal planning plays in the corporate strategy decisions that determine the future posture of the firm. The responses suggest the limited role that planning does play in corporate decision-making. Corporate executives tend to rely more on their trends and future activities. . . . The executives frequently stated that their decisions are not made from within a detailed planned structure. As one officer put it, they must rely on "taking advantage of opportunities rather than having a deep plot" to achieve successful results in their business.[1]

In specific instances, however, effective and respected planning systems have provided positive contributions to the executive decision-making process in the corporate sector. Their widespread and expanding use provides indirect testimony to the credibility of the planning process. It is difficult, however, to find an unambiguous illustration—to label any specific business planning operation as "successful" on the basis of objective criteria. For example, the establishment and extension of a sophisticated planning operation in a rapidly growing company may primarily reflect the fact that the company operates in a growth market and that its profitability enables it to finance a variety of staff services, of which a planning staff is but one among many. Also, the key product and investment decisions may have been made independently of the formal planning process. Thus the "success" of a specific corporate planning effort cannot be inferred from the overall performance of the organization.

George Steiner has identified four factors that he considers especially significant in the evaluation of the effectiveness of a corporate planning system:

1. The system has improved the quality of management.
2. The company has acquired a larger share of the market in which

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[1] Murray L. Weidenbaum and A. Bruce Rozet, *Potential Industrial Adjustments to Shifts in Defense Spending* (Menlo Park, California, Stanford Research Institute, 1963), p. 20.

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it does business, and this can be traced to the long-range planning system.
3. The company has had high and rising sales and profits over a period of time that can be attributed to long-range planning.
4. Sales growth, profit margins, return on investment, and per-share earnings are higher than average in the industry, resulting partly from the long-range planning process.

Our review of the literature on business planning has not revealed any systematic attempt to apply these or similar criteria to specific efforts. For example, the planning program of General Electric (GE) is often cited as a model to be followed. The company's Strategic Business Unit produces long-range plans that look 10 to 15 years ahead, with comprehensive predictions of economic, social, and political trends, and evaluations of their implications for the company. Central to the methodology is the concept of "alternative futures." Planning is based on the most probable scenario, but the impact on the plan if one of the "alternatives" occurs is also analyzed.

If accuracy of predictions is a measure of success, then GE has evidence of some accomplishments in specialized areas, such as social trends and developments. For example, early studies allowed the company to get a head start in the areas of minority and women's rights. (GE's guidelines for affirmative action were published a year before the federal government's.) But it is also possible that GE's planning model does not deserve the credit. GE's "success" could simply result from employing shrewd and perceptive individuals in its executive staffs.

Corporate constraints

It may be useful at this point to take a look at factors that have limited the success of business planning. Some of these may be limited to the private sector. Others may be more universal, and overcoming them in the public sector may be even more difficult.

The first set of problems encountered in business planning relates to the process itself. The business planner has often been viewed as working in a vacuum, acting more as a sounding board for management than as a participant in the decision-making of the organization. Consider how much more serious the consequence would be if the government planner worked in a vacuum isolated from political reality. But if the planner became excessively concerned with political realities, then we would cease to have "planning," but rather the political management of the economy.

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A second area of difficulty involves integrating the concerns and priorities of the senior executives of the corporation with the planning system itself. Without this integration, the plan will neither be accepted nor utilized by other members of the corporation. Consider then the problems of the government planner, who must try to integrate the goals of 200 million citizens, including tens of thousands of private-sector managers and decision-makers! One finds it hard even to imagine what such "integration" might involve.

The planning effort is also frustrated by the predispositions of many corporate decision-makers. Planning is by definition oriented to the future. But as Dale H. Marco, of Peat, Marwick, Mitchell, and Company states, many companies "really don't pay much attention to the future. . . . They react to history—history that is anywhere from one day to a few centuries old." Will politicians react any differently?

Advocates of national economic planning who base their case on an extension of business planning activities overestimate the general state-of-the-art in the private sector. A study of 13 large, technically oriented manufacturing companies found that most of the output of long-range planning groups was more in the nature of scheduling programs with long lead times, rather than the development of long-range business plans. The study concluded that typical long-range plans contained excessive amounts of trivia, such as monthly delivery schedules, the recruiting budget, square footage of storage space by type, and so on.[2] In part, this may help to explain why business plans often have a limited input into the decision-making process.

Despite these shortcomings, many American business firms continue to engage in formal long-range planning efforts, and they apparently believe that the benefits exceed the costs. A variety of reasons is given, not all of which may be applicable to or desirable in the public sector. Many company managements state that planning is a powerful instrument for tightening organizational discipline and control. Others contend that planning can be used to lend authority and plausibility to the corporate leader—a chief executive officer with a formal plan projects the image of having the enterprise well in hand. His counterpart who still relies on intuition and the proverbial "back of the envelope" may be at a psychological disadvantage.

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[2] Murray L. Weidenbaum, "Shortcomings of Business Planning," in Subhash Jain and Surendra Singhvi, editors, *Essentials of Corporate Planning* (Planning Executives Institute), 1973, p. 31.

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The corporate planning operation also produces information useful to management, but this involves an important "opportunity cost." The manpower and other resources devoted to the planning effort are unavailable for other purposes. Thus because of the high cost of a planning department and because the output often has not met the expectations of management, many companies have scaled back their planning efforts. To some degree this may have been the natural pattern of reaction and accommodation to the overselling of a new management activity (although certainly one with more durability than a short-term fad). Yet, at least one major corporation no longer uses the word "planning" in any corporate title, or to describe any corporate activity.

It is also important to recognize the numerous feedbacks to private planning that increasingly result from changes in public policy. Some analysts expect that a major trend in corporate planning will involve the increased role of social values and goals in the private decision-making process. George Steiner, for example, foresees the convergence of government and corporate planning in specific areas such as pollution control. One company cannot undertake massive expenditures to avoid pollution if its competitors do not do likewise. As a consequence, business executives who never anticipated cooperating with the government are now requesting that uniform standards be established for an industry so that all companies are required to act. If this level of cooperation between business and government indeed becomes more widespread, it may substantially reduce the pressures for central planning. That will especially be the case if this cooperation coincides with an increased responsiveness of business to consumer and societal concerns.

Planning experience in government

Government experience with formal long-range planning systems appears to be more negative than the experience of the private sector. The most pertinent evidence available on the effectiveness of planning at the federal level is the experience with the process instituted by President Lyndon B. Johnson. In August 1965, he announced with great fanfare the introduction of "a very new and very revolutionary system of planning and programming and budgeting throughout the vast federal government, so that through the tools of modern management the full promise of a finer life can be brought to every American at the lowest possible cost."

The Planning-Programming-Budgeting System (PPBS) was ini-

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tially greeted with great enthusiasm. For a while it created a land-office business for the services of economists, statisticians, and program analysts. Some enthusiasts at the time described PPBS as the most significant management improvement in the history of our government. The August 1965 announcement did have a substantial history behind it. Since January 1961, Secretary of Defense Robert S. McNamara and Assistant Secretary Charles J. Hitch had been attempting to apply the principles of program budgeting to the Pentagon, notably the five-year projections of force structures and budgets, as well as the review of budget submissions along program lines, rather than merely organizational lines.

Some of the enthusiastic overreactions to the implementation of PPBS were perhaps inevitable, and not fundamentally different from private-sector experiences. It takes many years, not the mere months of President Johnson's timetable, to establish an effective planning system, public or private. The intent of PPBS was to provide better information for the development of both budgets and legislation, but that was not the initial result. The government was already turning out thousands of analyses, evaluations, and studies every year. It became instead a different, somewhat competitive channel for decision-making; its influence on policy was often negligible. The PPBS apparatus has now been largely dismantled in the federal government. What remains is performed in a more modest manner, as part of the annual budget preparation.

In retrospect, it is quite clear that PPBS—at either the Pentagon or White House level—did not help the federal government avoid either fundamental overcommitments, at home or abroad, or an unusual array of "crises." Those who blithely assume that the occasional "success" of business planning can be readily replicated at the national level should consider the failure of the Edsel in the private sector, and the major federal decisions made at the peak of the PPBS enthusiasm—deeper American involvement in the Vietnam War and the over-promotion of the "Great Society" domestic programs. The point is not that the attempts to introduce organized planning led to these failures, but rather that they clearly did not prevent them. David Ewing offers a stronger conclusion: "For sheer magnitude of fiasco, however, business cannot compete with planners in the military and government."

In view of the impact of more formidable planning systems, such as the one utilized in Great Britain, perhaps we should be pleased that the results of PPBS were mainly paper shuffling and wheel spinning. Many analysts of Britain's experiences with centralized

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planning have painted a rather dismal picture, characterizing its economic woes as largely the result of giving the State responsibility for so many crucial economic decisions.

Government planning in France also extends beyond forecasts of the economy, at first by indicating directions, following with persuasion, and then resorting to direct action. In his analysis of the French planning experience, John Sheahan cites a different type of problem—the possibility of large private corporations coming to dominate the government planning process. This would be an extension of the widely held "capture" theory, whereby regulated industries increasingly influence the decisions of the government agencies set up to oversee them. Planning by consultation and negotiation in France may be tending to drive the government planners into such a close alliance with business interests that the planning board becomes a champion of the firms which it finds it easiest to deal with. Since these are usually the largest businesses, government planning thus weakens competition and may result in the neglect of social concerns.

The overall economic performance does not appear to have improved under any of these alternative schemes of national economic planning adopted by the primarily market-oriented, non-Communist nations. These planning systems have tended to shift the focus of private enterprise even further away from dealing with market forces and consumer demands, toward reaching an accommodation with an ever more powerful governmental bureaucracy.

Under an American version of centralized economic planning, a company might find it desirable to shift resources from conventional marketing activities to convincing the government to adopt more generous production targets for its industry. Thus there might be less payoff from traditional consumer market research than from new efforts to persuade the government to treat the industry more favorably. In this regard, we could conjure up visions of civilian companies following some of the practices of that branch of American industry, defense production, which is now most closely tied to governmental decision-making. Business-financed hunting lodges and fishing trips for civilian government planners might seem merely to follow an older defense-industry tradition, but such public-sector "marketing" activities would be a low-priority use of business resources. Yet, given the incentive of any organization to grow and prosper in the environment it faces, this result would not be surprising under a system of strong national economic planning and centralized decision-making.

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Managing the government

In a sense, there are two types of government planning that need to be distinguished. The external, national planning discussed above involves numerous extensions of government powers over the private sectors of the economy. A second type of government planning is more internally oriented, and may be more comparable to private-sector planning: the management of government's own activities. The advocates of national planning tend to merge the two, using shortcomings in government's management of its affairs as a rationale for extending government power and influence over consumers and business.

In his far-ranging statement advocating national economic planning, Senator Humphrey deals in passing with this second type of government planning: "We don't have any economic-impact statement for government decisions. The government goes around willy-nilly making decisions of consequences . . . the manner in which we are presently utilizing government resources and government agencies is a haphazard, helter-skelter enterprise." It would appear, however, that a government conducted on such a haphazard, helter-skelter basis should be reluctant to undertake the extremely ambitious task of managing the entire economy prior to setting its own house in order. This is perhaps an appropriate point to turn to that task.

The federal government presently has an instrument for establishing its priorities and allocating its resources, though it is neither new nor the object of widespread public attention—the budgetary process. To be sure, there are serious limitations to the way it currently works. Despite important reforms, government budgeting rarely addresses itself to the fundamental question of selecting overall priorities. Instead, the major attention of decision-makers focuses on the amount of funds to be allocated to a specific agency, or to an individual project within an agency. Little if any consideration is given to alternative ways of achieving such overall objectives as reducing inflation, increasing employment, and improving living standards.

In striking contrast, the adoption of a government-wide program-planning budget would be a useful tool for improving decision-making. Expenditure categories would cut across agencies and would relate to the various programs and activities that serve a given purpose. For example, program budgeting would necessitate making deliberate choices among alternatives: The job training programs of the Labor Department, the tax incentives to employers administered by the Treasury Department, and the economic develop-

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ment subsidies paid out by the Commerce Department would all be viewed as alternative ways of achieving a higher level of employment. In a very real sense, a measure of competition would be introduced into the process of allocating governmental resources.

The underlying rationale for this suggestion for program budgeting is evident in the activities of a well-managed company. Such a company would not impulsively decide to devote an increase in earnings to raising the dividend rate. Rather, it would carefully consider the alternative uses of the funds—embarking on a new research program, rebuilding an obsolescent manufacturing plant, or developing a new overseas operation. The basic requirement is the ability to array the pertinent alternatives, each seemingly attractive in its own right, and to choose carefully and intelligently among them.

Although proposals for a national-economic-planning system may be designed by economists and other technical specialists, it will be politicians and representatives of powerful interest groups who will translate any proposal into reality. They will oversee and perhaps guide the activities of the planning body and subsequently use its output. But as has too often been the case in the past, the results of such an undertaking may not conform to the initial expectations of its proponents.

Most of the public discussion of national planning focuses on the potential contributions to the solution of such macroeconomic problems as inflation and unemployment. However, a centralized planning apparatus could be redirected toward effecting basic changes in, for example, the distribution of income among the various groups of the society. As interest groups recognize a new mechanism for introducing change on a national scale, attempts to make such shifts in economic power would not be unlikely. This may occur even though it was neither a desired nor an expected result of the planning system.

It would not be unusual for economic analysis to be applied to justify politically desirable programs—examples include many Corps of Engineers, Bureau of Reclamation, and other "pork barrel" projects. In each case, detailed economic calculations are made in order to comply with the statutory requirement that measured benefits exceed measured costs. Yet, in practice, many of these projects represent an uneconomical use of national resources, resulting mainly in national subsidies to specific regions.

In a different regard, the issue of an unfair distribution of governmental resources is already a major source of debate. There is a

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growing concern in the Northeastern "frost belt" over the large shares of federal money going to the Southwestern "sun belt." Could a national planning mechanism become an arena for either resolving or intensifying this regional conflict? The latter would be the case if the emphasis in allocating resources shifted from establishing program priorities to altering the regional distribution of those resources.

Possibilities for planning

Both advocates and opponents of expanding government's role in planning can agree that any effort to deal with the future has built-in limitations. For example, no amount of formalized planning has eliminated any company's uncertainty concerning future technological change, the vagaries of the weather, discoveries of energy or other natural resources, outbreaks of war, assassinations of national leaders, or even shifts in the desires of the fickle consumer. And there seems to be no basis for assuming that government planning efforts would be more accurate or effective than those of business. If anything, national planning introduces a new range of problems. It is certainly conceivable that the bureaucratic process inevitably involved would tend to dilute or possibly redirect the original objectives. Carl Madden has offered cogent words of caution concerning planning efforts: "... just as the process of planning stimulates acts of envisioning new possibilities, so the existence and promulgation of a plan constrains such acts. A plan is a device that inhibits further imagining."

The possibilities of using business-planning experiences to mold a national planning system are not encouraging. Even disregarding the shortcomings of many business plans and planning techniques, the differences between business and government decision-making are fundamental. Business planning is based on the traditionally implicit—and increasingly explicit—assumption that the ultimate decisions on the allocation of society's resources are to be made by individual consumers. The important corollary of this is that if a company's projections are wrong, it will suffer the consequences. National planning by government, implicitly or explicitly, is based on a fundamentally different set of assumptions. Government officials, both appointed and elected, will determine what they consider to be in the overall interest of society. If the public does not respond accordingly, it is not the planners who are considered to be at fault. Rather, new and more effective devices will be em-

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ployed to induce the public to accommodate the planners' conception of the good (or great) society.

Boiled down to its essence, business planning is part of a decentralized decision-making process in which individual consumers make the ultimate choices. National planning is a centralized process in which the key economic decisions are made in the form of governmental edicts. The greatest danger of adopting a form of centralized economic planning is that it will—perhaps unintentionally at first, but inevitably as its initial results prove disappointing—propel the society away from market freedoms and toward greater governmental controls over individual behavior.

But despite the polarized nature of much of the public debate, the controversy over national planning really does not involve choosing between "master" planning and no planning at all. It is apparent that a great deal of planning goes on in the United States, in both the public and private sectors. The crux of the current debate involves deciding who should plan for whom. There is no question about the authority and desirability of General Motors planning its own activities. Likewise, upon reflection, it may be equally desirable for the Department of Transportation to plan its own activities. The point at issue is whether the Transportation Department, or any other federal agency, should plan the activities of General Motors—or its suppliers, employees, and customers.

There may be some high ground—although not necessarily a middle ground—to which the antagonists in the debate can both move, at least for a while: a position related to the need for improving the ability of both government and business to plan—and manage—their own affairs. In the *Road to Serfdom,* Friedrich von Hayek develops this point:

> The dispute between the modern planners and their opponents is . . . not a dispute on whether we ought to employ foresight and systematic thinking in planning our common affairs. It is a dispute about what is the best way of so doing. The question is whether for this purpose it is better that the holder of coercive power should confine himself in general to creating conditions under which the knowledge and initiative of individuals are given the best scope so that *they* can plan most successfully; or whether a rational utilization of our resources requires *central* direction and organization of all our activities according to some consciously constructed "blueprint."

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Rethinking national health insurance

THEODORE R. MARMOR

Most Americans, the polls report, are alarmed by a "medical-care crisis." Yet most are also satisfied with their own medical treatment. This paradox suggests that the admittedly serious problems of American medicine—its cost, availability, and quality—are not the only concerns. Part of the difficulty is the rhetorical exaggeration of medical-care problems and the unrealistic expectations for the proposals for national health insurance. Any sensible national-health-insurance plan must balance conflicting purposes. It must be fiscally possible, administratively manageable, politically feasible, and capable of improving the health of Americans without accelerating the worrisome rate of medical inflation (14 per cent in 1975). Yet many proponents of national health insurance misleadingly suggest that the problems of cost, access, and quality can be relieved simultaneously; few realistically show how to meet the conflicting constraints of cost control, administrative simplicity, and medical effectiveness. In what follows, I will try to chart a course between the clichés of impending doom and the smug complacency that American medicine is healthy.

Americans are understandably alarmed about medical care because their leaders—and the media—have alarmed them. Speech after speech, article after article, and program after program have cited the crisis of rising costs, maldistributed services, inefficient or-

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ganization, and poor-quality care. Bipartisan promotion of the sense of crisis has come from public figures as diverse as Richard Nixon, Edward Kennedy, and George Meany. Just six months after assuming his first term in office, former President Nixon warned of a "massive crisis" that could lead within two or three years to a "breakdown in our medical care system . . . affecting millions." Senator Kennedy's book on American health care was pointedly titled *In Critical Condition*, suggesting the imminence of disaster. Even the sober editors of *Fortune* placed American medicine "on the brink of chaos" in 1970. No wonder that labor leaders can treat the "crisis" as "generally accepted."

Opinion surveys suggest that a large majority of Americans agree there is a medical crisis, but don't regard it as affecting them. Three quarters to four fifths of the population, depending on the survey and the questions asked, are satisfied with the care they receive and with their doctors—despite misgivings about the "system." Fewer than 10 per cent are dissatisfied with their own health care, though nearly 40 per cent are worried about high costs and perceived inaccessibility. But these discrepancies in attitudes may be understood as simultaneously reflecting personal experience on the one hand, and the acceptance of the conventional wisdom of vocal elites who insist on using the rhetoric of crisis, on the other hand. Probably the specific complaints of Americans depend in part on economic status. The rich don't like waiting, and pay to avoid it; the poor don't like high costs, and wait to avoid paying them; and the middle class dislike both. All would like, in time of need, easier access to personal physicians. But few would require wholesale changes to satisfy their specific complaints.

Why do our politicians magnify these concerns into an impending crisis? Do reformers assume that only the rhetoric of disaster can spur public action? In the effort to awaken social interest, have they misled us into regarding American health care as declining on all fronts? The "issue-attention" cycle that starts with doomsaying is surely partly to blame. But whatever its origins, the rhetoric of crisis hinders realistic appraisal of what competing national-health-insurance proposals might do about the problems of health care in the United States.

The problems of American medicine

It should be stated at this juncture that concern about the cost, access, and quality of care is certainly warranted. Cost heads the

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list of concerns. The rising price of medical services has inflated both private and public health-insurance bills; there are really two cost problems, one individual, the other social.

As Martin Feldstein has pointed out, existing insurance plans cover expenses that many families could pay from current income, and a large proportion of these plans run out precisely when insurance is essential—in financially catastrophic cases.[1] In fiscal year 1975 Americans on average spent $558 per person on health care, up from $485 in 1974. In total, health-care expenditures consumed some $118 billion in 1975—or 8.3 per cent of the GNP. Adjusted for inflation, the share of GNP for medical care has increased more than 80 per cent over the past quarter-century, up from 4.6 per cent in 1950. In the last five years alone, the rate of increase has been explosive, which is clearly reflected in the rising expenditures for hospital care, now eight times greater per capita than they were in 1950.

This increase in hospital costs—the most heavily insured medical service, accounting for some 40 per cent of current health expenditures—also explains most of the rapid expansion of the government's public insurance programs. Medicare and Medicaid now spend $25 billion on services for the elderly, those on welfare, and the medically needy. Medicaid pays for services for about 25 million low-income Americans, and Medicare covers some 23.5 million elderly and disabled. But despite this extensive coverage, the needs of the poor and the elderly have increased under worsening economic conditions, and the real value of Medicaid benefits has declined. The present inflation has squeezed the poor, elderly, and unemployed even though the expenditures for current programs have increased in terms of nominal dollars. Thus the present 14-per-cent rate of medical inflation threatens not only family income after expenses, but government programs, as well. We may soon have a Department of Health, Education, *or* Welfare.

American medical care is also said to be disorganized and badly distributed. Some critics have called our medical-delivery units too "small, too specialized, too fragmented to be economical or even to deliver the quality of medical care our physicians are capable of." They are sure that such fragmentation "is bad for the quality

[1] The remarkable growth of interest in catastrophic protection—in both private plans and new state insurance programs during the past two years—indirectly supports Feldstein's criticism of American health insurance in the early 1970's as woefully "shallow." Fewer than one per cent of the population spend more than $5,000 on health care in any one year, but the fear of catastrophic illness is universal.

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of medical care," and results in patients lost "between the units." In fact, it is not clear that quality suffers from decentralization, or that flow charts and organizational reform would improve it. But the shortage of doctors in the countryside and in the inner cities is a serious problem. So is the dearth of old-fashioned family doctors: Only approximately 70,000 of the 295,000 practicing physicians in this country are pediatricians or general practitioners.

The quality of medical care is a subject of controversy, as well. The issue regularly reaches the public in the furor over malpractice—the suits themselves, the costs of malpractice insurance, and the physicians' outrage at paying it. But malpractice—errors of omission or commission—may be rarer and may do less social harm than *questionable* and *inefficient* practices. Questionable practices risk injury to patients in exchange for insufficient medical benefits—for example, overprescribing drugs or performing unnecessary surgery. (To the English expert Brian Abel-Smith, America is the land where "so many people lose their appendices, their wombs, or their tonsils . . . without good cause.") Inefficient practices either are needlessly expensive (hospitalization for testing) or divert medical resources to very costly care (renal dialysis, cardiac by-pass surgery) from more cost-effective uses (immunizations, prenatal checkups for mothers).

From criticism of questionable and inefficient practices it is but one short step to skepticism about all sophisticated medical care. This attitude is revealed in the attention given to iatrogenic (physician-caused) disorders; in the emphasis on environmental reform, anti-smoking campaigns, and highway-safety programs; and in the interest in an expanded role for paraprofessionals in medicine. In this view, concern should not be focused on national health insurance, which to some critics is a "giant step sideways," if not an actual health hazard itself. Thoughtful critics worry that we will put scarce public resources into traditional and costly medical care at the very time that other ways of improving our health are available.

All of these criticisms—many of which have merit—lend plausibility to the fear that the present health-care system will break down. However, the litany of problems suggests more agreement among critics than, in fact, exists. The proposals for national health insurance reveal conflicting standards for assessing American medicine, and represent genuine disputes about how best to deal with the competing demands for greater access, improved quality, and less rapid increases in medical costs. But even if the problems were

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similarly assessed, there would be little reason to predict that similar national-health-insurance plans would be offered as solutions.

In fact, however, there is not even any agreement about the problems of health care *except* concerning high and apparently uncon-

TABLE I. *Access to Health Care by Race and Economic Status, 1964 and 1973*[1]

	1964	1973
Short-stay hospital discharges per 100 population per year		
Total		
Poor[2]	13.8	19.0
Nonpoor	12.6	12.5
White		
Poor	15.3	20.2
Nonpoor	12.9	12.6
All other		
Poor	9.9	15.3
Nonpoor	9.6	11.6
Per cent of population with no doctor visits in past two years		
Total		
Poor	27.7	17.2
Nonpoor	17.7	13.4
White		
Poor	25.7	16.8
Nonpoor	17.1	13.2
All other		
Poor	33.2	18.5
Nonpoor	24.7	15.3
Number of doctor visits per person per year		
Total		
Poor	4.3	5.6
Nonpoor	4.6	4.9
White		
Poor	4.7	5.7
Nonpoor	4.7	5.0
All other		
Poor	3.1	5.0
Nonpoor	3.6	4.3
Number of dental visits per person per year		
Total		
Poor	0.8	1.1
Nonpoor	1.8	1.8
White		
Poor	0.9	1.2
Nonpoor	1.8	1.9
All other		
Poor	0.6	0.7
Nonpoor	1.2	1.1

[1] Source: Ronald W. Wilson and Elijah L. White, "Changes in Morbidity, Disability, and Utilization Differentials Between the Poor and the Nonpoor; Data from the Health Interview Survey: 1964 and 1973," table reprinted in *Journal of Health Politics, Policy and Law*, Vol. 1, No. 2 (Summer 1976), p. 160.

[2] Definition of poor and nonpoor is based on annual family income. For 1964: poor, under $3,000; nonpoor, $3,000 and over. For 1973: poor, under $6,000; nonpoor, $6,000 and over.

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trollably rising costs. The various other "problems" are merely difficulties that any sensible analyst would recognize, but do not justify a fear of disaster. This is particularly true concerning the difficulty of access to medical care—the gap between the rich and the poor has been substantially reduced in the past decade (Table I). But the popularity of crisis rhetoric has promoted hopes of a rapid solution that have been frustrated by the prolonged political struggle over national health insurance.

Competing proposals

All sides agree on at least one thing: the need for a larger governmental role in the financing of medical care. Some groups—most notably the American Medical Association (AMA)—have concentrated on increasing financial accessibility to health care. The AMA Medicredit proposal was designed as a federal subsidy of health-insurance premiums in hopes of stimulating broader insurance coverage. It would have replaced the present tax deduction for medical-care expenditures with a tax *credit*, to offset in whole or part the premiums of (qualified) insurance policies. The amount of the credit would have varied inversely according to income-tax bracket: the higher the taxable income, the lower the tax credit.

All the major proposals now before Congress call for more intervention in the health-insurance industry than Medicredit. The most ambitious is the Kennedy-Corman bill, which proposes a government monopoly of the medical-insurance business. To insure that "money would no longer be a consideration for a patient seeking any health service," the Kennedy-Corman plan would establish a national-health-insurance program with universal eligibility and an unusually broad coverage of services, financed jointly by payroll taxes and general revenues. There would be no cost-sharing by patients, so that care under the plan would be "free" at the point of service, with the federal government directly paying the providers of the services. Further provisions of the bill address the problems of cost escalation, by limiting the total budget for medical care; distribution, by creating incentives for comprehensive health-service organizations and for health personnel in underserved areas; and quality, by enforcing standards for care.

Politically fashionable are plans that would provide protection against financially catastrophic expenses, while allowing other governmental programs and private health-insurance companies to cope with the remaining problems of the medical-care industry. The

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catastrophic-protection portion of the Long-Ribicoff bill covers hospitalization beyond 60 days and annual medical expenditures over $2,000. The major-risk-insurance (MRI) proposal made by Martin Feldstein would protect against financial disaster, while requiring direct payment by patients for most medical expenses—thereby, it is hoped, reducing the rate of medical inflation. MRI is a comprehensive, universal health-insurance policy with a very high deductible—it would pay all medical bills that exceed 10 per cent of annual income.[2] Quite similar, though administered by the Internal Revenue Service as a tax-credit scheme for major medical expenses, was the bill sponsored by Senator William Brock of Tennessee.

Catastrophic insurance is effective and cheap (typically predicted to be less than $5 billion in federal cost), because its objective is limited. It is concerned with financial catastrophies rather than with reorganizing the health sector. The Long-Ribicoff proposal, for example, leaves almost intact the rest of the present system—as does MRI, with one major qualification. In suggesting the removal of current tax incentives for insurance, Feldstein attempts to shift the burden of medical-financial decisions from physicians to the cost-consciousness of patients. The use of a high deductible in relation to average yearly medical expenditures—but short of catastrophic expenses—is similarly intended to combat medical inflation with consumer restraint. But if these plans were fully implemented, they would reintroduce the financial barriers to care that many national-health-insurance advocates see as the problem in the first place.

Mixed strategies

Finally, there are mixed strategies that call for increased government regulation and partial federal subsidy of the present medical-care system. The Ford Administration, for example, proposed a Comprehensive Health Insurance Plan (CHIP) to expand insurance through mandated employer offerings, to rationalize Medicaid by requiring larger financial contributions from welfare families as

[2] Martin Feldstein, "A New Approach to National Health Insurance," *The Public Interest*, No. 23 (Spring 1971), pp. 93-106. This is only one version of Feldstein's MRI. A variant is to have a lower deductible (five per cent of family income), followed by 50 per cent co-insurance over a further 10 per cent of family income. The advantage of this more complex scheme is to keep persons partly responsible financially over a wider band of medical expenditures. See T. R. Marmor and Robert Kudrle, "National Health Insurance Plans and Their Implications for Mental Health," prepared for delivery at the Symposium on Political and Community Problems in Mental-Health Care (Northern Illinois University, April 22-23, 1975), p. 12.

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their incomes rise, and to control costs through state regulation and the encouragement of prepaid group practice.

The mandated employer plans are a way of insuring vast numbers of families for health expenses with a minimum impact on the federal budget. Employers under CHIP, for example, would be required to offer policies with broad benefits and to pay three quarters of the premium. The employee would pay one quarter of the premium and be responsible for substantial sharing of costs at the time of use. There would be more modest payment scales for families in lower-income categories. Whatever the specific features, such plans distribute the current health expenditures among patients, employers, and the government; they do not lower health costs (unless they result in less care)—although they appear to because the federal price tag is so much lower than, for example, under Kennedy-Corman. Saying that CHIP costs $45 billion and Kennedy-Corman $100 billion is misleading. It would be accurate only if unions dropped their present benefits and accepted the cost-sharing of CHIP. More likely, under CHIP there would be employer supplementation of the federally mandated plan, in which case total health expenditures would differ little under CHIP than under Kennedy-Corman, and would not differ from the present $118-billion total.

Very similar to CHIP is the 1974 Kennedy-Mills proposal, which shares with CHIP the structure of benefits and out-of-pocket payments. Where it differs most sharply is financing. The Kennedy-Mills proposal would be run by the Social Security Administration (as is Medicare), using the insurance industry as a fiscal intermediary. A four per cent payroll tax (up to $20,000) would finance the program, with the employer nominally paying three per cent, and the employee not more than one per cent. In addition, there would be a 2.5 per cent tax on self-employment and unearned income up to $20,000, a one per cent tax on family welfare payments, and miscellaneous state and federal contributions. With such financing, the estimated *federal* cost of the Kennedy-Mills plan, $77 billion, vastly exceeds the $43 billion of the CHIP plan, though both are lower than the estimated $103 billion federal cost of the Kennedy-Corman plan (1974 estimates by the Secretary of Health, Education, and Welfare).

What is striking is how the political debate over these alternatives, which are relatively close in content, exaggerates their differences. The ideological influence on the shape of the various bills make comparison of their substantive proposals difficult. The proponents

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of the various plans are likely to claim more for their bills than is justified. One bill cannot solve all the shortcomings of the health industry. Not only are the problems complicated, but the solution to any one of them often conflicts with the solution to another. One may disagree with the proposals of the AMA, but the organization has recognized that improving "any system of medical care depends basically on balancing three strong and competing dynamics: the desire to make medical care available to all, the desire to control cost, and the desire for high quality care." The competition among these goals must be substantial, since any two of them together work against the third.

The current debate over national health insurance, in fact, recalls the virulent but superficial controversy surrounding Medicare in the late 1950's and early 1960's, which obscured the problems of implementing any major government health-insurance program. One can blame polarization, distrust, and reluctance to compromise. All sides used ideological name-calling to discredit their opponents, and profited little from legitimate criticisms.[3] The problem now is how to avoid a similar battle over national health insurance.

Common sense and the Canadian experience

The current proposals should be judged by their probable results, not their legal form. An informed understanding of the experiences of other nations with governmental health insurance would aid us in the prediction of these outcomes. The Canadian experience is particularly relevant because both Canadian society and its health-care concerns are strikingly similar to ours, and can serve rather like a large natural experiment.[4] For example, would any of the proposals for national health insurance reduce the more than $10-

[3] At that time the major question before Congress was whether to enact a health-insurance program for the aged, financed by social security. During the hearings, almost all the attention was focused on whether such an idea was politically attractive. Those who found it appealing discovered almost nothing of practical worth in opposing arguments. Those who opposed social security financing of health insurance found little worthwhile in the Medicare proposal. The consequence was that two large, well-financed, warring camps fought in full public view for more than a decade. The tragedy was that each side learned so little from the other. This intemperate policy debate was followed by serious operational difficulties that emerged after the program began in 1966. See Richard Harris, *A Sacred Trust* (New York, New American Library, 1966); Herman and Ann Somers, *Medicare and the Hospitals* (Washington, D.C., Brookings Institute, 1967); and T. R. Marmor, *The Politics of Medicare* (Chicago, Aldine, 1973).

[4] Most of the countries of the West share similar health concerns, but major political, economic, or cultural differences raise questions whether the lessons of health insurance in those countries would apply to the United States. With

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billion annual increase in the national medical-care bill? The example of Canada is not promising. Canada and the United States have experienced remarkably parallel trends in the price, utilization, and expenditure for medical services. The proportion of national resources spent on health is almost identical, despite the fact that Canada began its national program in 1958. In Canada, large-scale public financing has not reversed the upward spiral in prices and expenditures, partly because financing is dispersed among different levels of government.[5] Canada's other efforts to control costs—budget review, incentive reimbursement schemes with global budgeting—have also failed to control inflation.

There is evidence that where financing is concentrated at one governmental level and providers of service are paid directly (rather than reimbursed by insurance), expenditures and the rate of medical inflation are lower. In the last 15 years, with its National Health Service, England has spent a third less of its resources on medical care, and experiences roughly a third the rate of inflation of Canada, Sweden, or the United States. To the 22 per cent of Americans who favor putting doctors on salary in an English-style system, this will be a welcome piece of evidence. But even to others, the British experience suggests that concentrated financing is desirable in a future national-health-insurance program.[6] Thus the "conservative" goal of controlling inflation may be best accomplished by a greater degree of governmental centralization than even many "liberals" favor.

Canada, however, the differences are far less marked. While the parliamentary system presents an obvious political difference, Canada has extensive decentralization of authority, with a tradition of resisting federal power analogous, though by no means identical, to American federalism. The structure of the health professions, the hospitals, and the history of voluntary insurance are also strikingly similar, especially as contrasted with France or Great Britain. Both Canada and the United States have voluntary hospitals not owned by the state, a medical-care profession largely under fee-for-service remuneration, and a pattern of partial adjustment to the intervention of insurance—mainly nonpublic at first, but in the postwar period increasingly more public in character. For a more detailed examination of the Canadian national-health-insurance experience, see T. R. Marmor, "Can the United States Learn from Canada?" in Spyros Andreopoulos, ed., *National Health Insurance: Can We Learn from Canada?* (New York, John Wiley and Sons, 1975); T. R. Marmor, Wayne L. Hoffman, and Thomas C. Heagy, "National Health Insurance: Some Lessons from the Canadian Experience," *Policy Sciences*, Vol. 6, No. 4 (December 1975), pp. 447-466.

[5] T. R. Marmor, Donald Wittman, and Thomas C. Heagy, "Politics, Public Policy, and Medical Inflation," in Michael Zubkoff, ed., *Health: A Victim or Cause of Inflation* (New York, Millbank Memorial Fund, 1975).

[6] By "concentrated financing" I mean that a single unit of government pays the bill—the Health Security Board, in the case of the Kennedy-Corman bill. By contrast, our present medical financing is dispersed among patients, numerous insurance carriers, and federal, state, and local government agencies.

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Of the leading American plans, the Kennedy-Corman bill—with its concentrated federal financing—theoretically affords the best prospects for curbing inflation. But to be effective, it must be fully implemented, which is unlikely at present. The Feldstein plan is also aimed at controlling inflation, by placing the financial responsibility on patients. But to work it must discourage supplementary insurance by removing current tax incentives—a challenging political task. Hence, the most promising anti-inflation proposals are politically the least likely to emerge in the United States.

The most likely is CHIP or some other mixed plan that would offer more business and further subsidies to health-care insurers and providers, without strict central budgetary control. Such a fiscally decentralized plan would be inflationary, and would also still leave major gaps in coverage—thus combining the worst of both worlds.

National health insurance is likely to be more successful in improving access than in containing costs. Americans hope that lowering financial barriers will distribute access to care much more fairly than our present arrangements, and promote more equal medical attention to different race, income, regional, and age groups. The Canadian experience offers mixed evidence. First, on the basis of that experience, we should expect relatively modest changes in the overall utilization of hospitals and physicians. The fears of runaway utilization resulting from "cheap" care thus appear unrealistic, and ignore the impact of preexisting health insurance, the barriers to care that financing will not change, and the rationing that doctors will impose. One's estimate of Canadian success in redistributing access depends very much on initial expectations. The evidence suggests that national health insurance moderately reallocated access from "rich" to "poor." A study in Quebec shows not only an increase in the use of physician care by income groups under $5,000, but a decline in physician visits for income groups above $9,000.

But financial barriers are only part of the problem. Equally serious is unavailability of care, resulting from the poor distribution of physicians, both geographically and across the range of medical specializations. No proposed remedy has worked well in the United States—not exemption from repaying educational loans in exchange for practicing in under-served areas, nor substitution of medical service in rural or ghetto areas for physicians' military obligations, nor direct subsidies for medical centers in under-served locales. Other Western democracies have learned that poor distribution remains even after the medical purchasing-power of poor city neigh-

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borhoods and remote rural areas are improved. Only forced assignment to regions and specializations would work; otherwise young doctors have good professional and social reasons for continuing to prefer specialized medical practices in affluent suburban neighborhoods.

What Canadian experience suggests is that universal health insurance raised public expectations of accessible medical care, and increased pressures on the government to address the problem of redistributing services, particularly in rural areas. Canadian analysts report some redistribution of physicians to poorer areas; in Newfoundland the physician/population ratio improved nearly 30 per cent in the first three years of national medical insurance. The Canadian evidence is not that such redistribution took place everywhere, nor that national health insurance eradicated differences in access by income class. But Canadian experience does suggest that national health insurance without cost-sharing promotes a more equitable distribution of care.

The quality of care

National health insurance, whether fiscally centralized or decentralized, will probably do little to improve the quality of care. It may provide incentives for preventive care.[7] But it cannot check malpractice or doubtful practice any better than present institutions do, and it may actually stimulate the demand for costly and inefficient procedures. The quality of medical care depends much more on professional self-regulation and consumer awareness than on any conceivable health-insurance plan. Adequate financing cannot insure that the care we get is good.

This prediction of minimal impact is supported by Canadian

[7] It should be noted that there is little evidence to support the general enthusiasm for preventive care. There are indications that prenatal care effectively prevents some maternal and infant problems. But there is also evidence that mass screening programs and even annual physical checkups are wasteful, and only occasionally detect conditions that are aided by early treatment. Economists Burton Weisbrod and Ralph Andreano conclude that preventive care can increase costs without significantly raising the level of health. They attribute apparent cost-savings in the Kaiser-Permanente plan (which is often cited as a model of the medical and financial efficacy of prevention) to "various factors, many of which are unrelated to preventive care." Even apart from the question of whether prevention is effective or not, however, it could be argued that the issue is peripheral to the debate over national health insurance. Is it really necessary that a plan focus on preventive care? Some have argued that national health insurance without incentives for preventive care is not worth having; but would anyone seriously argue, for example, that automobile insurance is not worth having if it doesn't prevent accidents?

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experience. In Canada, national health insurance seems to have had little or no effect on the incidence of medical abuse. It also appears that Canada has employed traditional measures to deal with cases of patient abuse. Peer review and malpractice litigation continued as the *ex post facto* deterrent, and licensing remained the standard method of assuring quality by screening unqualified personnel and facilities.

But this sober assessment of the capacity of national health insurance to reform our medical-care arrangements is no excuse for inaction. The major task of insurance is to calm fears of financial disaster. The issues of quality, prevention, and reorganization are peripheral to that concern. The argument that more traditional medical care will not markedly improve our health is beside the point, when the question is whether the current burden of medical care expenses is fairly distributed.

Recognizing the conflicting objectives in national-health-insurance proposals is the beginning of prudent choice. We must ask whether we should spend a larger share of the nation's resources on medical-care services, through the federal government or otherwise. Should efforts be made to make care more accessible (and perhaps less fancy), substantially higher in quality (and therefore more expensive), more humanely delivered (and therefore objectionable to some currently satisfied providers of services)? Should the use of medical care be independent of the ability to pay (and therefore likely to be more costly in the aggregate)?

These will not be the questions asked if ideology continues to distort our understanding of doctors, patients, and national health insurance. When Republicans lock horns with Democrats over the role of the private and public sectors, the public is not well served. For the crisis in American medicine lies as much in our thinking as in our medical-care arrangements.

What is to be done?

The sense of crisis expresses political strategy more than medical-care reality. But ignoring it entirely would be a mistake, for two reasons. First, most of the problems cited are real, if not truly critical—especially the relative inflation in medical-care prices and expenditures. Second, once voters have been "sold" on the existence of a crisis, the path of least political resistance in the United States is a mixed plan. By this I mean a compromise, on both financing and administrative centralization, that would disperse regulatory

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and financial responsibility among citizens and patients, governments and private insurance companies, states and federal government. The CHIP bill is a good example of such a politically appealing mix, and the 1974 Kennedy-Mills proposal was very similar in financial, if not administrative, dispersion.

But compromises in medical-care financing bring together the worst of the private and public worlds. Ironically, a mixed plan will continue the inflation problem and so institutionalize that aspect of the crisis, as the Swedish and Canadian experiences suggest. In fact, whenever insurance—public or private—is offered as a cure for medical inflation, it becomes iatrogenic—the disease of which it purports to be the cure.

National health insurance will increase inflationary pressures under the best of circumstances. Plans that mix private, state, and federal financing—and regulation—offer the least hope for resisting inflation while expanding access. We need instead a plan that provides ample protection against disastrous medical costs, encourages worthwhile preventive care, offers incentives to efficient practice, and, for the sake of political feasibility, does not suddenly cost $118 billion.

The typical response of national-health-insurance advocates to fiscal constraints has been to vary the richness of the benefit package, not to change the beneficiaries. In Canada, developments took place by type of service—first national hospital insurance in the late 1950's, and then national medical insurance a decade later. But the American pattern so far has been to phase in programs by age and income groups, as with Medicare and Medicaid in the 1960's. A comprehensive health insurance program for all preschool children and pregnant women—combined with universal catastrophic protection—could in the near term be a sensible and traditional American way to introduce national health insurance in the face of the current budgetary restraints.

Health insurance for children

Children are worth our attention for a number of reasons. First, poor children enjoyed less of the redistribution of medical-care services made during the 1960's than poor adults. For similar illnesses, upper-income children are many times more likely to receive care than children from poor homes. Second, the care children need most is easily produced, relatively cheap, and in the case of preschoolers, reasonably likely to improve their current and future health. Im-

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munization is an example of inexpensive but effective preventive care that liberals and conservatives alike know is important. It is also an example of an area where the current allocation of responsibility has left glaring inadequacies—up to 50 per cent of the children in some counties have not been immunized against dread diseases. Preventive care in such cases can help—in individual, social, and financial terms.

Consider infants with low birth weights. About 240,000 of them are born every year in the United States. One fifth of them will not survive the first five months of life, and those who do often suffer permanent impairments. But we have research results that show how to reduce such occurrences: prenatal intervention programs, improved diagnostic techniques, methods to delay the onset of labor, and special attention to groups, such as teenaged mothers, with a high risk of having a low-birth-weight infant. Preventive care could do more for infants than for any other age group.

A comprehensive health insurance program for preschool children and pregnant women could be relatively cheap. Medical care costs less for children than for any other age group in the population: about one sixth of the total expenditures for the elderly, for example. In 1974, per-capita expenditures for those under 19 years of age were $183, compared to $420 for those aged 19 to 64, and $1,218 for those 65 and over. A third of the population, children, account for about 15 per cent of all health expenditures. From these figures one can readily see that a comprehensive program for children is within our *fiscal grasp*. Per-capita payments of $200 a year per child under six would total about $4 billion; the cost of prenatal and postnatal care for approximately 3.2 million births per year would probably cost some $2 billion a year. Thus, something on the order of $6 billion annually would pay for Kennedy-Corman benefits for preschool children and pregnant women.[8] (After giving birth, women would then be covered under the catastrophic portion of the plan, as is everyone else).

Not only would the total initial cost of such a plan be modest, but the chances of an unpredictable inflationary surge are less with young children. Most of their care is predictable, relating to prevention (immunization), well-baby checkups, and routine procedures for common illness. The expenses associated with pregnancy, though

[8] Compare this cost with the $7 billion now spent on medical care through the medical-expense deduction and other tax breaks for health insurance. In fiscal year 1976-77 the cost of Medicare alone will increase by an estimated $5.4 billion.

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not modest on a per-case basis, are relatively uniform and predictable, and hence less susceptible to the danger of overuse under national health insurance.

A program for pregnant women and young children could be reimbursed on a capitation basis—the yearly payment of lump sums for medical care—and thereby further this widely praised method of remunerating doctors. American doctors generally favor the traditional fee-for-service payment, but one can imagine far less medical objection to capitation if it is limited to obstetrical and pediatric care. We already have an existing pattern of prepaid lump-sum payments for obstetrical care (including prenatal care), encouraged by the predictable character of the required medical services. The familiar nature of the required care for pregnant women and infants makes the review of quality and costs easier for this group than for any other. The serious problem with capitation is the possibility that it will discourage needed care. Capitation provides economic incentives either to keep patients well or to deprive them of expensive care; depriving them is the (unethical) alternative to prevention and efficient services. But widely understood standards of ordinary care make it easier to monitor whether providers of services who receive capitation payments are underserving or abusing their patients. Child care is an area in medicine with fairly clear standards of what constitutes adequate service.

The routine nature of so much pediatric care has another virtue for using child care to help reform our current medical-care system. Routine care can be delivered quite easily by physician substitutes and nurse practitioners, who deliver most of the services in other parts of the world. In America, pediatric nurses, as many mothers know, are extensions and sometimes substitutes for physicians. So there exists the possibility of providing medical services more efficiently through physician substitutes; per-capita payments make this financially attractive to pediatricians and family physicians. It should be noted that the number of preschool children will decline over the next quarter-century, though it will continue to increase for the next few years. Critics might contend that substituting non-physicians in a dwindling market will raise strong medical objections. But this problem is manageable in at least two respects. First, the number of unmet needs among preschoolers, particularly the poor, is significant; meeting them will keep the physicians busy even as the number of kids declines. Further, family physicians, who deliver more than half the care to children, can adjust their practices among the different age groups. It still makes sense for them indi-

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vidually to hire assistants to do more routine work, if there are other patients or other problems to deal with.

A possible program

The nature of children's medical problems and care makes a "kiddie care" national-health-insurance plan a sensible first (or last) step toward extending financial access to medical services through government action. Many have urged smaller benefits for the entire population as an initial public step; my view is that such steps—whether CHIP or the 1974 Kennedy-Mills bill—are fiscally irresponsible, expanding the demand for medical services by groups whose most pressing health needs are not for conventional medical care, and whose most serious concern is financial catastrophe. These reasons must also influence the shape of a child-care plan: The nature of the benefits must meet children's real needs, and a catastrophic-protection plan must be offered to insure that the adult population—especially the childless—do not regard children as their public-policy nemises.

Children's needs will not be met by a plan that requires substantial cost-sharing by their parents. The reasoning behind patient cost-sharing (co-insurance, co-payments, and/or deductibles) hardly applies to children. The simple and largely preventive procedures of routine child care should not be rationed according to complex financial constraints. Since the overall budget for children's medical care is relatively low, cost-sharing to ease the government's budget burden (the real rationale in the Kennedy-Mills and CHIP plans) is politically less necessary. Cost-sharing to reduce unnecessary utilization is less important because of the more limited risk of "overuse." To the extent such risk exists (tonsillectomies, unnecessary hospitalization, drug prescriptions) it can be reduced by capitation: The examples of the Kaiser plans in California and the Group Health Cooperative of Puget Sound illustrate the reduction in the rates of hospitalization and surgery in prepaid as compared to fee-for-service plans. It is worrisome that American children are four times more likely than British to have their tonsils surgically removed, but a plan to pay for child care need not encourage such questionable practice. Indeed, the concentration of financing in government hands will increase the incentive to discourage harmful practices.

In the light of these considerations, starting with children (with

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catastrophic protection for all of them) is a reasonable approach to national health insurance. The present economic and political context requires attention to forms of national health insurance that can be administered, that are less costly to the federal treasury than the Kennedy-Corman bill, and that are unlikely to increase the rate of medical inflation. Plans for child care provide compelling alternatives to the muted versions of the universal proposals that the current debate has thrown up. Children rightly have political appeal as deserving recipients of medical dollars, and the relatively limited costs of even a comprehensive "kiddie care" plan address the demand for fiscal restraint.

The great appeal of other plans lies in their suggested ways of putting a lid on health expenditures—a specific feature of the Kennedy-Corman proposal, which also eschews cost-sharing and strongly supports capitation payments. All of these features are maintained in a Kennedy-Corman program for preschoolers, though the expenditure ceiling would apply only to children. "Kiddie care" would not in itself restrain medical inflation across the board; other measures in connection with Medicare, health-planning legislation, and facility control would have to be (and now are) employed. But "kiddie care" would assist in this effort, not undercut it.

Those who seek far-reaching changes in the overall organization of health care have been saddled with the political burden of being responsible for the $118-billion health budget. At a time when concern about the size of the federal budget is so widespread, a reform alternative with limited costs is appealing. "Kiddie care" meets that standard, and can be supplemented by a universal catastrophic credit income-tax scheme costing less than $3 billion. Such a joint plan could be financed by $8 to $9 billion of gross federal expenditures. We should remember that almost half of this could be financed by the current tax expenditures for health—the $3.5 billion for medical-care deductions from the taxable income of individuals who now spend more than three per cent of family income on medical care, and the nearly equal amount lost by the federal government through subsidizing health-insurance premiums. Tax reform, in short, could make the cost of child-health care and universal catastrophic-insurance protection no greater than what we are now spending.

Catastrophic protection is not added to the proposal merely because it is politically fashionable. That is an additional feature, but a responsible national-health-insurance program should respond

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to the widespread fears of financial ruin from ill-health, fears that the plans for "kiddie care" do not address. A catastrophic-protection program would address those fears; it is a crucial ingredient in an overall plan. If fewer than one per cent of the populace have expenses more than $5,000 per year, such a scheme is fiscally possible if the deductible is set high in relation to average expenditures, and low in relation to economic ruin. As Table II (on page 93) makes clear, the Internal Revenue Service could implement such a plan with the great political appeal of benefiting everyone (through insurance protection), while actually paying only a few directly. Further, such a plan would have the great substantive advantage of reforming the tax treatment of medical costs in a more equitable and efficacious manner.

Planning for child care

Here are the features of a joint child-care and catastrophic program, beginning with pregnant women and preschoolers.

1. *Benefits:* The benefit package would be inclusive—partly preventive in nature, including prenatal care for mothers, fertility benefits, *dental care,* such kinds of nutritional and well-baby care that seem to work, immunizations, setting broken bones, etc. Neonatal intensive care, renal dialysis, and heart surgery would be included, as would all conventional, minor acute care.

2. *Provider Reimbursement:* The only form of payment would be capitation. The federal government would offer perhaps $200 per year, per child—possibly adjusted for regional differences—to any qualified provider, individual or organization, capable of providing the benefit package. Providers would sign up children, just as general practitioners in Britain sign up families. Those wishing to buy care in the regular fee-for-service system would be free to do so, but not with government subsidy. Pregnant women would be included, and pregnant teenagers could enroll in their own names, even though they are minors.

3. *Patient Cost-Sharing:* No cost-sharing at the time of receiving services would be required, excepting perhaps some nominal payment for drugs or other care where the serious possibility of overuse exists.

4. *Quality Review:* A quality-monitoring mechanism would be established, based on the work of David Kessner, Robert Brook, and others, designed to reduce the likelihood that providers will offer too little care for the fixed per capita price.

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5. *Financing:* There would be straight, general revenue financing, with the following tax adjustment: either reduction in the $750 exemption for children as partial payment for the benefit, or half the tax credit for children at the median income as partial payment. Tax adjustments should provide approximately half the cost, and should be adjusted as costs increase.

6. *Cost:* At $200 per child, per year on average ($4 billion), plus prenatal and postnatal care for an estimated 3 million births ($3 billion), the total would be an estimated $7 billion per year.

7. *Administration:* The child and maternal health-insurance program would be administered by the local health boards specified in the Kennedy-Corman legislation. The setting of capitation rates and broad policy would fall to the National Health Security Board specified in the 1975 version of Kennedy-Corman. The catastrophic tax-credit program would be the administrative responsibility of the Internal Revenue Service, managed by the division that implements the medical expense deductions under current tax law.

8. *Research and Development:* Some attempt should be made to link expenditures on research to reducing the need for the services covered by the children's program, and to producing technology for delivering those services more efficiently. Among the possibilities: contraceptive research; funding of demonstrations of better manpower utilization, such as pediatric assistants; further research on prenatal care and well-baby care to determine effectiveness and to modify program benefits accordingly; a research and statistical effort comparable to that of Medicare, so we can learn from doing.

The catastrophic tax-credit program

The child and maternal health-insurance program can be supported by a univeral national catastrophic plan. The proposal briefly described here calls for the incorporation of catastrophic protection into a reformed tax policy for medical expenses.

1. *Benefits:* Comprehensiveness of covered services is important for a catastrophic program. That is, practically all medical care expenses should be eligible for tax credits, though the amount of the deductible, coinsurance, and maximum out-of-pocket liability could vary. One promising schedule, whose distribution of benefits by income levels (in Table III) is compared with our current regressive tax-deduction policy (in Table II), has a deductible of 10 per cent of taxable income, and 50 per cent coinsurance up to a maximum family expenditure of 20 per cent of taxable income. For

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TABLE II. *Amount of Reduced Tax Under Current Personal-Income-Tax Provisions*[1]

ADJUSTED ANNUAL GROSS INCOME	OUT-OF-POCKET MEDICAL EXPENSES: $500	$1,000	$2,000	$5,000
$ 5,000	$ 0	$ 0	$ 0	$ 0
10,000	55	150	334	806
15,000	33	141	361	957
20,000	38	123	373	1,093

[1] Source: Karen Davis, "Tax Credits for Health Relief for Working Class, Unemployed, and Disadvantaged," revised version of a paper presented to the National Health Council Annual Forum (Orlando, Florida, March 18, 1975). Tax reductions are based on a family with four exemptions. The calculations assume that families with incomes under $5,000 take the standard deduction, and that other families have itemized deductions of $1,500, plus medical expenses. Of the medical expenses, $150 is assumed to be fully deductible as health-insurance premiums, the remainder is subject to an exclusion of three per cent of adjusted gross income. Calculations are based on tax law in effect in 1974.

TABLE III. *Amount of Tax Credit Under Proposed Plan*[1]

ADJUSTED ANNUAL GROSS INCOME	OUT-OF-POCKET MEDICAL EXPENSES: $500	$1,000	$2,000	$5,000
$ 5,000	$0	$250	$750	$4,000
10,000	0	0	500	3,000
15,000	0	0	250	2,000
20,000	0	0	0	1,000

[1] Source: Same as Table II.

this purpose taxable income would be more broadly defined than under current law. One wants to prevent incorporating loopholes into this plan, where the very definition of catastrophe depends upon the relative burden of medical expenses on family wealth.

These benefits, it should be emphasized, provide only minimal protection against burdensome health-care expenses. The tax credit works like a catastrophic health-insurance plan that requires families to pay up to 10 per cent of their taxable income before the insurance benefits begin. By providing 50 cents for each dollar of further expense up to the maximum family liability, the plan shares expenses with families having high costs, and places a ceiling on their medical liabilities, short of financial disaster. Further, it does so progressively, so that at higher income levels, benefits decline gradually. And it is progressively financed, as Karen Davis of Brookings has emphasized, through foregone revenues—income tax revenues.

The payments of benefits would be integrated into the current tax cycle. That would mean annual adjustments for most, or quarterly assessments for those who chose to report their income and

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expenses in that manner. The schedule shown in Table III illustrates how the tax credit for out-of-pocket expenses (including health-insurance premiums) would affect families at different income levels. A family with an income of $5,000 and ruinous expenses of $5,000 would be entitled to a tax credit of $4,000. The credit would decline for families with the same expenses but higher incomes. For a family with an income of $15,000 and with the same $5,000 medical expenses, the tax credit would amount to $2,000 for the year.

A credit against one's tax bill would work for those with incomes high enough for the Internal Revenue Service to tax. A credit in the form of a cash rebate would be paid in April for those—like pensioners on social security—who have little or no taxable income. There is concern among some critics of this plan over the problems health providers might have in getting prompt payment of their bills from the poor and the elderly. This plan would not address that difficulty directly. It is insurance protection for individuals, not protection against the cash-flow problems of hospitals, doctors, and nursing homes. On the other hand, the assurance that beyond a reasonable limit no patient would be destitute from medical expenses constitutes substantial underwriting of the working poor and the medically impoverished and, in that sense, assistance to the providers of services. What is more, the possibility of using quarterly declarations and year-end tax adjustments might go a long way to allay such fears.

2. *Staging:* The child insurance program would be expanded, if desired, on a manageable basis each year for the *first five years.* Adding two years to the child-eligibility level each year would mean that children under 15 would be completely covered then. This option leaves open whether at that time the child-health-insurance policy should be extended to the rest of the population. Over the period of implementation—extending into the 1980's—the rest of the population, and most particularly the unemployed, aged, and working poor, would be relieved of the worry that medical expenses could bankrupt them. Medicare and Medicaid would be left in place for further protection.

The nation's health

The United States remains one of the few industrial nations in the world where destitution can result from medical-care expenses. Some four per cent of the population spend more than a quarter of their income on illness. Up to four million are potential can-

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didates for coronary by-pass surgery, an expensive new procedure costing (according to government estimates) about $7,000 per operation. So catastrophic protection would relieve a burden that now falls most heavily upon the sick, aged, unemployed, and poor.

It is undeniable that political considerations make a combination of child and catastrophic insurance appealing. Catastrophic insurance deals with the serious concern about impoverishment, particularly from cancer, stroke, heart disease, and mental illness. But both plans can be accomplished fiscally, and are now within our political and administrative grasp. The deductible provisions of the tax-credit plan limit its costs, and the introduction of a Kennedy-Corman plan for children is aimed at the very group who will not use an enormous amount of resources in the expensive hospital-surgical area of medical care.

The child program, moreover, involves pediatricians and family practitioners, a group far easier to monitor and less likely to oppose the capitation mode of payment. This plan would not apply to those insistent on fee-for-service medicine. The financing for both plans would come largely from the current tax expenditures for medical care, but would be far more progressive in effect. An additional source of funding is some portion of the yearly child-allowance now paid by the Internal Revenue Service in child tax credits or deductions, which could be earmarked for child health insurance—reminding parents everywhere that medical care is not free even if the sick don't have to pay every time they use medical services. Finally, at a time when the country is beset by the fear of failure in government and discouraged by the competence of our governors, a plan that is manageable but effective would do much for the health of the political order.

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The "right to treatment": can the courts rehabilitate and cure?

HARRY L. MILLER

Over a decade ago, a determined band of reformers began an attack on the state institutions for the mentally ill, the delinquent, and the criminal. This movement developed partly out of what has been called a "romance with the community," an ardor that infected many mental-health professionals and led to a vigorous "community mental health" movement (that ultimately failed to deliver on its vastly inflated promises). Joining the crusade were an assortment of activist groups committed to the basic beliefs of upper-middle-class radicalism: the sanctity of the individual, the absolute priority of the needs of minorities and the poor, and a distrust of institutional ways of dealing with social issues. Since most of those confined by the states were "minority poor," and since the facilities were easy targets for flamboyant rhetorical charges ("warehousing people"), the state institutions were attractive targets for advocacy groups. Substantially fueled with federal grants from a variety of agencies, the reform movement has by now a very solid status and an air of permanency.

Some easy victories were won by the reformers through the actions of state legislatures or by executive orders. For example, California has now closed most of its mental institutions. And in a two-year period, the Massachusetts Commissioner of Youth simply ordered all training schools for juveniles closed; then, with quiet re-

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formist satisfaction, he left the state to its own devices and went elsewhere. California courts are beginning to process cases of aberrant behavior through the criminal courts, and Massachusetts is sending so many youthful offenders to training schools in nearby states that its neighbors are beginning to complain. So these may be somewhat Pyrrhic victories—but they are victories, nonetheless.

In other states that have refused to accept the revealed truth of reform, advocacy groups have adopted a strategy of using the courts as a major instrument to restructure existing institutions. During the earlier phase of the reform movement, court actions were largely based on due-process grounds: tightening of the standards for dangerousness, the right to a hearing within the institution when any change in the patient's or inmate's status was contemplated, free access to legal counsel at any time, and numerous other procedural protections.

In 1966, Judge David Bazelon, perhaps the most prominent crusader on the federal bench, provided the reform movement with a new instrument by enunciating a constitutional "right to treatment," which had been advocated in a seminal article by Dr. Morton Birnbaum several years earlier. In the 10 years since Judge Bazelon's decision in *Rouse v. Cameron,* the "right to treatment" has provided the legal basis for actions brought against state hospitals and youth facilities by a number of local civil liberty unions, child advocacy groups, and the Department of Justice.

State institutions vary from the horrifying to the superb, and a movement aimed at improving the lives of those compelled to live in the bad ones deserves sympathy and support. However, the unrestrained appeal to a "right to treatment," by what Nathan Glazer has called the "imperial judiciary" (*The Public Interest,* No. 41, Fall 1975), may well have unintended consequences that outweigh the modest improvements that can be gained.

The constitutional basis

The constitutional foundation for a "right to treatment" may be traced from early habeas corpus actions on behalf of citizens held, for non-penal reasons, in correctional institutions for criminals. The expansion of such actions led to rulings that confinement must be in a place where conditions are actually therapeutic, and subsequently to the modern series of cases, *Rouse* and others, that challenge confinement on the grounds that no treatment is given. The reasoning involved is often referred to as the "exchange" theory: In cases

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of involuntary commitment—to mental institutions or juvenile training schools, for example—the state owes the individual an attempt at rehabilitation or cure in exchange for denying him full procedural safeguards. The Supreme Court appeared to have accepted this line of reasoning in the case of a mentally defective deaf-mute charged with two criminal offenses, *Jackson v. Indiana.* Judged incompetent to stand trial, Jackson was indefinitely committed to a mental-health institution. The Court asserted that a person "committed solely on account of incapacity to proceed to trial" cannot be held longer than the period of time necessary for prognosis, and the state must then institute civil proceedings for commitment: "Due process requires that the nature and duration of a commitment bear some reasonable relation to the purpose for which the individual is committed."

There is no question of the need for some fundamental protection for individuals faced with the benevolent intent of the state. But in the case of juvenile corrections, it has been argued that in exchange for the loss of full procedural rights, children are already accorded a variety of benefits: access to a number of probation programs not available to adult offenders, much lighter sentences than those ordinarily given adults for the same crime, and confidentiality. Any further exchange hardly seems necessary.

As for the mentally ill, Chief Justice Warren Burger has recently pointed out an ultimate danger in linking treatment to the sacrifice of procedural rights: "Nor can I accept the theory that a state may lawfully confine an individual thought to need treatment and justify that deprivation of liberty solely by providing some treatment. Our concepts of due process would not tolerate such a 'trade-off.' " With the growing insistence upon procedural protections for both the mentally ill and the delinquent at the time of commitment, the claim of a "right to treatment" on the grounds of procedural due process seems increasingly tenuous.

It is not necessary, in any event, since the claim may also be advanced on the basis of substantive due process, which may withdraw or assert certain powers regardless of procedure, instead of merely limiting the way in which the state's power may be exercised. The courts are thus permitted to assess the fairness and reasonableness of the purpose of a law. In the case of the "right to treatment," the claim is that state commitment laws implicitly promise treatment as an exchange for liberty, hence delivery on the promise may be legally compelled. For juvenile offenders a similar promise of rehabilitation is implied.

The courts have not looked with favor on other justifications for

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the state's interest in curtailing individual liberty. The reply to the argument based on the "welfare of others," on providing relief to those for whom an individual is a burden, has been that "it is unlikely that such an indefinite interest can outweigh the massive abridgment of constitutional liberties attendant upon civil commitment." The patient's "own good" has also generally been dismissed as a reason for coercion, although recent applications of the food and drug laws to prevent cancer victims from taking unproved drugs suggest that the courts are increasingly willing to coerce on that basis—though perhaps not to the point of depriving individual liberty.

The equal-protection clause has been used in a number of situations to justify a "right to treatment." It has been argued that some criminals who are afforded less procedural protection than others are owed something in return, in the form of rehabilitation. In the case of criminals committed to mental institutions, the length of confinement may exceed the statutory provisions for the crime that initially led to their commitment; hence, equal protection argues either for discharge or for some *quid pro quo* in the form of treatment. In a more general sense, advocates contend that the state cannot discriminate against the equal enjoyment of a fundamental interest such as sanity; if treatment is provided for one class of individuals, it must be provided all in a similar relation to the state.

The constitutional sanction against "cruel and unusual punishment" has been directly invoked to improve institutional standards, hygiene, and care in prisons and other correctional institutions. In the area of mental health, it has also been asserted as the grounds for a "right to treatment." The argument runs thus: Mental illness is merely a condition over which the patient has no control; it cannot, therefore, be punished as a crime by a "total destruction of the individual's status in organized society." If the state incarcerates the mentally ill, the loss of liberty must be justified by giving treatment and some hope of improvement in order to avoid "cruel and unusual punishment." A similar line of reasoning holds that *indefinite* confinement without treatment of someone not criminally responsible for his acts is inhumane, and thus unconstitutional.

Some dissenting views

In a recent court action, the American Civil Liberties Union noted, presumably to encourage the judge, that in 40 cases involving the "right to treatment," only one ruling refused to recognize the doc-

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trine's validity. The willingness, even eagerness, of federal district and appeals courts to open the can of worms represented by the "adequacy of treatment" issue is surprising, though it must be said that many judges approach it only tentatively and hedge their rulings with nervous disclaimers of any intention of preempting the proper functions of state legislatures and courts.

In a Georgia case (*Burnham v. Department of Public Health of Georgia*), Judge Sidney Smith wrote the one majority opinion rejecting a constitutional "right to treatment." The case was a class action brought against the mental institutions of Georgia, alleging constitutionally inadequate diagnosis, care, and treatment. In ruling against the plaintiffs, Judge Smith held that the court could not determine what adequate treatment was because definitions of psychiatric treatment were too broad: "The addition of qualifying and modifying language such as 'adequate' or 'constitutionally adequate' to a word of uncertain meaning like 'treatment' does nothing to clarify the confusion but serves only to compound it." Second, Judge Smith stated that nothing compelled recognizing the existence of a right to adequate treatment, noting that "even Dr. Morton Birnbaum himself has conceded that while such a right to treatment has been accepted by society, it has not been recognized as a federal constitutional right." Third, the judge argued that requiring the state of Georgia to expend additional revenues for the improvement of its mental institutions would contravene the 11th Amendment (which has been interpreted as giving the states immunity from suits brought against them by individuals in federal court). Any attempt to ascertain the adequacy of the treatment of individual patients is best left to the state courts, he ruled.

Several minority opinions in other cases expand on these themes. In *Rouse,* Judge John Danaher's dissent contrasts sharply with Judge Bazelon's advocacy, and reinforces the complaint that advocates tend to impose their principles even where the facts make them irrelevant.

By reason of insanity, Rouse had been acquitted of the charge of carrying a dangerous weapon (a .45 automatic with 600 rounds of ammunition), and had then been involuntarily committed to a mental hospital. The case centered around Rouse's plea for release. The trial judge had denied Rouse's petition; the appeals court, with Judge Danaher dissenting, remanded the case to the lower court. Judge Danaher's final argument is worth examining, since it is seldom mentioned, compared with the wide dissemination given to Judge Bazelon's majority opinion:

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So it was that the government's expert had caused Rouse to receive treatment. He personally saw Rouse at least 20 times on the ward; had talked with him on a dozen occasions, sometimes up to two or three hours; and he finally concluded that Rouse "exhibits frank overt antisocial behavior." A person so situated "can, when he decompensates even more, become schizophrenic." He believed that Rouse is dangerous to himself and others. If placed at liberty "at the present time it would be a precipitous thing to do and he would be dangerous to himself and to other people by virtue of this mental illness. I think he needs supervision over the long haul." Rouse had participated in group for a total of 50 sessions. He announced to the group on February 16, 1965 "that he was terminating on the 18th. When this premature termination was discussed with him, he stated that he . . . did not want to experience the discomfort that is necessary for change to occur." The doctor transferred him to an open ward in an effort to induce Rouse to assume normal exposure to other people. "Over and over and over again I have pleaded with him to make attempts to be more comfortable" in an environment "where he will have more privileges." Rouse rejected such efforts and asked to be sent back to the security ward. Rouse had "experienced a great deal of anxiety, panic, nervousness, discomfort. . . . He couldn't tolerate the increasing privileges and responsibility." He had denied himself occupational and recreational therapy, "these obvious pleasures, these obvious benefits, these very therapeutic things which are human things to do, because his anxiety is so great that he can't avail himself of the humanizing influence that exists in this building."

The judge in view of the conflict between the experts continued the case. He caused an examination to be made by a member of the Mental Health Commission. That expert two weeks later testified that Rouse had been suffering from a mental disorder at the time of his arrest but that he "is no longer suffering from any mental disorder at all." As for future psychiatric care, he testified "I would like to see him get some supporting help as he reestablishes himself in society."

I think the trial judge correctly concluded: "There is no doubt in the mind of the court that this patient has improved and that he is continuing to progress." The judge stated that if Rouse demonstrated his capacity to make use of the opportunities afforded him by the hospital, the staff might recommend a conditional release. If not, he added, the "court would consider a renewal of the application with a view to possibly granting a conditional release." He dismissed the petition "with leave to renew after a reasonable time."

My study of this record has convinced me that the result reached by the trial judge was fully supported. His findings are proof-positive against challenge. His conclusions accord with the objectives of the statute and are entirely consistent with our precedents. Rouse had failed to sustain his burden of proving his eligibility for release under the statute. I think the judgment dismissing the petition should be affirmed.

Now, my majority colleagues remand "for a hearing and findings on whether appellant is receiving adequate treatment, and, if not, the

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details and circumstances underlying the reason why he is not." I reject any such disposition as outside the scope of our appellate review function. If some of us are to devise what we say are "issues" upon which to promulgate our views in this highly nebulous area, why should district judges pay any more attention to what we say by way of dictum than we seem to be according to our own precedents?

Mr. Justice Frankfurter observed: "Sanity and insanity are concepts of incertitude. They are given varying and conflicting content at the same time and from time to time by specialists in the field. Naturally there has always been conflict between the psychological views absorbed by law and the contradictory views of students of mental health at a particular time."

How cogent his observations! No member of this court has ever suggested that a person committed because of mental illness should not receive "treatment." That this appellant received extensive treatment was overwhelmingly established of record, and so successful had it been, that the Mental Health Commission's expert could say that in his opinion, Rouse had recovered from the mental illness which led to his commitment. Even so, he added as to the need for further psychiatric help, "I would like to see him get some supporting help as he reestablishes himself in society."

Now, where the experts differ so widely on the nature and the degree of the appellant's mental illness, the trial judge is commanded to hold a hearing and prepare findings on whether or not Rouse is receiving "adequate" treatment.

Yet Rouse was really claiming that he no longer was mentally ill.

The limits of the doctrine

The hesitancy of the federal judge in *Burnham* to supersede the state courts points to one of the major issues raised by opponents of a constitutional "right to treatment": the question of jurisdiction, which has been extensively treated in the minority dissent in *Schuster v. Herold.* In this case, a United States Court of Appeals ruled on a lower-court denial of habeas corpus. Schuster had argued that his transfer from Clinton prison to Dannemora, the New York state facility for the criminally insane, was illegally ordered without the hearing accorded civilians undergoing commitment to a mental institution. The majority dwelt at sympathetic length on the plantiff's history (he had been indicted for first-degree murder and convicted of second-degree murder), noting that he had made a good adjustment at Sing Sing and later Clinton. Although doctors there had found him paranoid in expressing fears that prison personnel were out to get him, which led to his transfer to Dannemora, Schuster had had no opportunity to cross-examine the doctor who made the determination. The appeals court not only declared the necessity for

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procedural safeguards in such transfers, but following *Rouse*, also ruled that adequate treatment must be accorded those in Schuster's position. However, in one of the more sarcastic dissents in the literature, Judge Leonard Moore noted:

> Since I am particularly concerned with the trend toward judicial legislation by the federal courts, I feel I should set forth my views. And to place this case in a proper factual setting, I must first state what this appeal does not, in my opinion, involve.
>
> We are not reviewing (or at least should not be) the life of Roy Schuster and the matrimonial difficulties which plagued him. Not knowing the facts, I am not qualified, as the majority seems to be, to pass on the merits of the "industrious" Schuster, who after a "tragic peroration" drew from his pocket a revolver with which he killed his troublesome wife and wounded his lawyer, thus attempting to follow Shakespearean precepts. Nor am I prepared to speculate on the merits of his defense that he was in a state of panic. . . .
>
> The merits of Schuster's model life in prison and his expectancy of parole in 1948 are interesting history but not relevant to the issue before us.
>
> In 1941 Schuster was transferred to Dannemora, which transfer concededly "accorded with the provision of 383 of the New York Correction Law as it then read" namely upon the certification of a single prison doctor. Again, I am not in a position (and I have some doubt as to whether the majority is) to know of the doctor's "qualifications in psychiatry" or to find that his opinion was delivered with "breathtaking simplicity."
>
> At the hearing in 1967 before Judge Port, Schuster is said to have testified that in 1941 he met with two doctors but with modern-day enlightenment the majority find that Schuster was not "represented by counsel" and was not "afforded an opportunity to cross examine the doctors." He certainly received no *Miranda* warnings, assuming that Miranda was old enough at the time to be warned of anything except not to touch hot stoves. From the record, the majority concludes in a quasi-psychiatric-legal way that they are "forced to the unhappy conclusion that Schuster is simply a forgotten man in a mental institution which has nothing to offer him." On the prescriptive side they find that since he receives "no treatment and is not occupied in therapy of any kind," that therefore he appears not to be in need of the Dannemora type of confinement. . . ." But whether he should have treatment or not, or should have Dannemora confinement, is not in my opinion a problem to be solved by a federal court of appeals. New York state has its own laws enacted by enlightened legislators and its own competent judiciary. We are not dealing with the laws and practices of a barbarous nation. Before we dictate to the state and override state procedures, we should exercise a modicum of that "due process" which is so easy to impose on others but so difficult to impose on oneself.
>
> In my opinion, it is not for us to review and question the various

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> state proceedings from 1948 to date. The only problem facing us on this appeal is what are Schuster's rights, if any, today and how may they be secured?
>
> A bibliography of the books and newspaper articles concerning the sad plight of those confined in state and federal mental institutions would be encyclopedic. I accept the nobleness of purpose which prompts such writings and would, with them, wish that a magic wand or pill could cure all the mental ills that so increasingly seem to beset so many. . . . Our problem is not to enact judicial legislation for the state of New York or to write opinions for its court of appeals but rather to examine its laws and decisions to ascertain whether they are the product of a benighted state. We must think and act in the light of present conditions. The majority apparently relate the present to the past because they say "the substantial disparity between the procedural protections afforded civilians facing involuntary commitment to a mental institution and those given Schuster deprived him of equal protection of the law. . . ." In short, must all prisoners now confined in mental institutions be accorded retrospectively the prospective rights of mentally ill civilians?
>
> Nor is a person suffering from a mental disease entitled to release from a mental institution merely because "treatment" is not recommended or has not yet been discovered. If "treatment" there be, no one should oppose every effort to cure, and I would willingly join that "growing number of scholars [who] have urged that persons involuntarily committed by the state to mental institutions have a constitutional right to treatment. . . ." How shocked would be the draftsmen of the Constitution if they had known that they were protecting the right to treatment of the mentally ill exclusively for ultimate federal court decision. Rather, in my opinion, they would have said that such questions should be reserved for the States.

In the only direct test of a "right to treatment," the closely watched case of *Donaldson v. O'Connor,* the Supreme Court has recently refused to affirm the doctrine, at least in the very broad version enunciated in appeals court rulings. Donaldson had been committed to a Florida mental institution in 1957 and remained there, with promises of adequate care, despite the efforts of a friend and of community organizations to release him. The appeals court chose to deal primarily with the fact that Donaldson was not given psychiatric treatment during his stay, and argued at great length for a "right to treatment" that justified his release as well as punitive damages from the hospital superintendent.

The majority opinion of the Supreme Court emitted a variety of not very clear signals. First, it ruled that since the original jury finding was that the state had not proved that his further confinement would prevent injury to the public, ensure his own safety, or alleviate or cure his illness (Florida's current statutory justifica-

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tions for involuntary confinement), Donaldson must be released. The Court therefore reasoned that the case did not involve treatment but simply "involuntary custodial confinement," and went on to define the conditions under which a state may justify such confinement. Second, the Court made a point of noting that the opinion of the lower court was no longer to have precedence, "leaving this Court's opinion and judgment as the sole law of the case." Third, having asserted that the case gave no reason "now" to decide whether compulsory confinement requires treatment, the Court proceeded, in a footnote, to reject the defendant's argument that the adequacy of treatment was a "nonjusticiable question that must be left to the discretion of the psychiatric profession. . . . Where 'treatment' is the sole asserted ground for depriving a person of liberty, it is plainly unacceptable to suggest that the courts are powerless to determine whether the asserted ground is present." Since states usually assert additional reasons beyond the provision of treatment for commitment, that statement is difficult to interpret; it may suggest that, when the Court gets around to defining a "right to treatment," it will construe it very narrowly. Currently, at any rate, a broad assertion of a "right to treatment" clearly lacks the "law of the land" imprimatur of the Supreme Court.

The impact of the "right to treatment"

Exactly what treatment is the state obliged to provide as a *quid pro quo* for the loss of liberty? If the minimum standard is merely the provision of any treatment beyond keeping a person locked in a room, practically anything would pass the test. On the other hand, it is possible to set standards so high that no state *could* meet them, or that some states would refuse to meet them, making the closing down of all facilities an enticing alternative. In the wake of a sweeping federal court order, one of Alabama's mental-health officials advocated doing just that, and prepared thousands of letters announcing the release of patients before the governor decided to comply with the directive.

The judiciary has responded to this dilemma in several ways. Some judges have restricted themselves to the specific issues in the cases before them, and to the remedies clearly available. Others have taken the opportunity afforded by class action suits based on very broad treatment claims to assume effective control of state facilities by meticulously examining the smallest details of institutional life, issuing lengthy orders covering every feature of daily operation, and

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creating a variety of supra-administrative mechanisms to enforce them.

In *Wyatt v. Stickney,* the Alabama case referred to above, Judge Frank M. Johnson conducted extensive hearings that resulted in detailed minimum standards concerning rights to privacy, presumption of competency, communication with outsiders, compensation for labor, staff/patient ratios, educational opportunities, floor space, sanitary facilities and nutrition, individual treatment plans, written medication orders, and restraint orders. The ruling in *Morales v. Turman* runs for 65 pages in two columns of very small type, and deals with every aspect of the operation of the Texas state facilities for youths, including the length of graduate study of the professionals and the number of hours that must be devoted to psychological testing. In *McCray v. Maryland,* the court issued 35 pages of rules and regulations, down to the details of the personal possessions an inmate may have in his cell (not more than three undershirts and undershorts) and the edibles he can possess (including three rolls of Tums). Other rulings have gravely considered the number of sheets of toilet paper that must be available per resident.

Deferring for the present the question of the validity of such rulings when they deal with the type and quality of treatment, it may not seem to be undue interference by the courts to set minimum standards for such matters as staff/patient ratios or sanitary facilities. We are accustomed to city governments setting housing standards and inspecting the hygiene of restaurants. But the imposition of national standards on a wide range of local systems at vastly different points of development must inevitably create very sizable difficulties. For the judiciary to attempt such a task makes particularly bad sense because it must follow its own rules: "Justice delayed is justice denied," so the task must be accomplished *right now;* and, because the denial of constitutional rights is to be remedied, the lack of financial resources cannot be used to justify noncompliance.

As with all human-service systems, the primary costs of running state residential facilities are wages and salaries; court-imposed minimum staff/resident ratios are therefore crucial. The federal courts rely on the testimony of professionals concerning the number of their colleagues required for adequate treatment—and one supposes that the estimates provided are not unbiased. Put a psychiatrist on the witness stand, and he is likely to fall back on the preexisting standards of the American Psychological Association (APA): one physician for every 40 patients, one psychologist for every 60, one nurse for every 15, one social worker for every 35, and one aide for

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every 2.5 patients. Compare these with the staff/patient ratios in Bryce Hospital in Alabama (pre-*Wyatt*): one physician for every 300 patients, one psychologist for every 425, one nurse for every 250, one social worker for every 425, and one aide for every six patients.

As of several years ago, no state hospital in the country met those APA standards. A set of staffing requirements proposed for juvenile-corrections institutions by a federal task force requires, in addition to a variety of clinical personnel similar to those specified under APA standards, a fulltime teacher for each child with below third-grade reading ability, and one for each 15 children with sixth-grade reading ability or above. Although Alabama is widely regarded as benighted in these matters, it should be noted that a large New York facility for children has estimated that attempting to meet federal standards for accreditation would double its already imposing budget. In many states, such standards are simply fantasies. Charles Cleland and Gary Sluyter estimated that compliance with the *Wyatt* decision would add 10,000 new employees to mental-hospital staffs: "Even if the state legislature were to provide sufficient funds, the problem of finding and recruiting sufficient and adequately trained personnel appears insurmountable. To hire enough physicians alone (in a state with only one available for every 830 population) would be almost impossible."

Nor is it at all certain that increasing staff size in such facilities necessarily provides better care. One study of the effects of greatly increasing the number of nurses in a general hospital found that patient/nurse contact hours changed very little. My own observations of a number of state facilities suggest that the professional staff additions required by court orders are likely to increase sharply the very serious problems in human relations and supervision that the institutions are unable to manage at the present staffing levels.

A far more serious consequence of these mandated arbitrary minimum standards, however, arises from their distortion of the states' allocation mechanism. Unlike restaurants unable to meet the standards of the local health department, the states cannot go out of business. Given their limited resources, their compliance with federal court decrees must require budget-juggling that shifts funds from other needs that must also be met. The court examines only one area of need at a time; advocates who come before it demanding increased resources for state hospitals are not accompanied by advocates for increased expenditures on police, or health, or education, or any of the other needs met by the states. The state budget-

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making process must deal politically with this welter of competing demands, doing the best it can to trade off and compromise—which is one of the reasons the process is regarded as shoddy and confused. Judicial intervention in the process, through setting fiscal priorities on the basis of whatever demand happens to come to a court's attention, is difficult to justify in a representative democracy—or, indeed, in any other rational political order.

The conflict with professional discretion

When their minimum standards deal with such matters as professional-staffing requirements, the courts take a first major step toward a definition of treatment itself. Some rulings go well beyond this point, choosing among alternative treatment modes and raising other issues commonly thought to be within the realm of professional rather than judicial discretion.

The most obvious objection to the courts' preempting professional judgment has already been raised in the *Rouse* dissent, quoted earlier. Although Judge Bazelon declared in the majority ruling in that case that the possibility that a "better" treatment exists does not necessarily prove the inadequacy of a present mode, he has nonetheless been a major champion in published articles and speeches of a court-determined subjective standard for adequacy of treatment. The judge has argued for the proven capacity of courts on two grounds: first, that the courts have become quite at home with medical malpractice suits, which also involve conflicts of professional judgment; second, that the judiciary has been successful in administrative law, where issues of great complexity in esoteric fields are decided by judges on the basis of their evaluation of expert testimony. The editors of the *Yale Law Journal* (Vol. 77, 1967) are not much impressed with the first of these justifications:

> The expensive and inconclusive battles of experts, followed by grab-bag jury verdicts which mark those cases do not make a happy precedent. And in physical medicine there is relative certainty compared with psychotherapy, both in diagnosis and in the efficacy of particular treatments. In the psychiatric-malpractice field, the courts have exhibited extreme reluctance to examine the issues of treatment, and great confusion in trying to decide when negligence has occurred. Most of the cases involve such matters as discharge or failure to prevent escape from an institution, not the superiority of one treatment over another. Moreover, the malpractice field has at least one legal issue with which the courts have grappled in other contexts and feel at home, if only to a limited degree—negligence. In the right to treat-

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ment cases even this touchstone will be absent, and courts may well feel even further at sea amidst conflicting expert opinion.

The argument based on the courts' experience with administrative law seems more persuasive. It is doubtful, however, that many of the fields commonly encountered are as "squishy" as mental health and juvenile rehabilitation. Treatment technologies in the former range from encouraging patients to set up their own governing rules and make their own decisions, to a recently developed therapy in which children are buried alive in order to give them a real sense of what death is like. In between is an incredible array of approaches—a sizable variety of Freudian modes, currently popular Gestalt and Jungian models, behaviorist reinforcement, and just "doing your own thing." As for other members of the treatment team, the social-work establishment, for one, has recently decided that its role should be to "advocate" for its clients—whatever that means. Even if the concept were clarified, many social workers would not accept it. On these issues the testimony of expert witnesses will depend almost completely on the witness-selection process.

Nor can the courts depend on the evidence from a body of scientific evaluations. Many psychiatrists find the evaluation process distasteful; others have only the most primitive conception of the canons of scientifically acceptable evidence of the effectiveness of treatment. In this very difficult field, where adequate control is almost impossible to achieve, a number of studies, conducted by psychologists and others, generally conclude that any therapy model does about as well as any other.

Although the treatment alternatives are not as varied in juvenile corrections, the same difficulty exists. William LeVine and Phillip Bornstein reviewed 228 citations of studies concerning the treatment of antisocial personality disorders (signs of which are apparent in many of the children who come to the attention of the juvenile courts). Only 10 of these studies met their fairly crude criteria of research adequacy: the presence of some form of control group, and a post-treatment follow-up. Eight of the 10 studies described "positive" results, but the most massive and tightly controlled of them (the Cambridge-Somerville study), reported negative results, and many of the smaller ones had serious methodological flaws.

The ability of the judiciary to make independent judgments about such a mass of data is open to serious doubt. A fairly typical

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example of the level of sophistication of the courts' inference from data is Judge Robert Sprecher's citation (in *Lessard v. Schmidt*) of higher death rates among the institutionalized as proving his assertion that institutions are evil per se. Eleanor Wolf has contributed an enormously valuable examination of the way in which social science data were assessed in a federal court desegregation case (*The Public Interest*, No. 42, Winter 1976). Her analysis clearly reveals the difficulties: the courts' ignorance of quantitative methods, their misunderstanding of the logic of scientific inquiry, their acceptance of "pop" sociology, and the injurious effect of the adversary mode on the consideration of conflicting evidence.

Understanding the "medical model"

There is a more fundamental misunderstanding that creates endless mischief. Most lawyers and judges perceive "treatment" in medical, or at least clinical, terms; they would no doubt be astonished to learn that psychiatrists in hospitals spend much if not most of their time in meetings, and increasing the number of professionals would merely make those meetings more crowded. Unlike general hospitals—to which some patients, at least, can take their fractured leg or ruptured spleen and emerge "cured"—the mental institutions cannot do much curing. Many aging adults and some children are untreatable, and for them hospitalization is a holding operation; pressure on hospitals to treat or release them can only result in the familiar phenomenon of "dumping" them into communities lacking facilities for adequate care, or in citizens' resistance to building community facilities in *their* neighborhoods. Again, treatment for some uncontrollable children for whom all forms of therapy have failed may simply consist in providing a structured, controlled environment.

Legal naiveté about what mental-health professionals call the "medical model" is particularly unfortunate because it conflicts with the rather promising experimentation in the past decade or so concerning the effect of environment on patient status. In "milieu therapy," as this approach is called, all of the patient's experiences and interactions throughout the day are considered important to his improvement; his fellow patients and the caretaking staff may make a greater impact than the few hours of direct therapy he may receive. The "milieu therapy" movement tends to become overblown at times and it is sometimes excessively ideological, but there is good reason for believing that the physical and social en-

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vironment can often have a powerful effect on patients—and a respectable amount of evidence that it can be structured to do so. Yet the appeals court in *Donaldson* dismissed "milieu therapy" as a transparent evasion of the responsibility to provide treatment, citing an article by a lawyer as justification for its dismissal.

Juvenile rehabilitation depends even more heavily on manipulating the environment, and many of the programs cited by LeVine and Bornstein as having positive results employed "milieu therapy." Despite the conviction of some psychologists, notably Carl Malmquist, that delinquent behavior stems from distortions in familial relations that are amenable to psychological treatment, few psychiatrists consider most juvenile delinquents "sick," in the clinical sense of that term. The exception, perhaps, is the "violent kid," a major source of conflict between mental-health and correctional institutions. Training school staffs cannot handle him, and send him off to the mental hospital; the psychiatrist examines him, concludes that he is not "mentally ill," and sends him back. The entrance of legal advocates into the fray only makes things worse. In New York state the correctional division and the mental-hygiene department recently agreed to experiment with a special ward for some technically nonpsychotic but unmanageable boys, staffed by Division for Youth (DFY) personnel and administratively separate from but within a mental hospital. A number of legal advocates have brought suit to dissolve the unit on the ground that, since the boys have not been formally declared mentally ill, their detention in a mental institution stigmatizes them without due process.

A psychiatrist administrator rather wearily summed up his experience with legal intervention in the following observation:

> The legal tangles are incredible. While a child involved with the courts is under diagnosis, he or she is considered mentally ill. Then, when transferred to a DFY facility across the hall, mental illness has ceased, which is what permits us to transfer him from a mental ward to a juvenile facility. One of the arguments is that if you keep a mentally ill child in a DFY facility you're mistreating him. We say, yes, the mental illness is gone, when asked by one of the funding agencies; we negotiate toward saying it's not dominant at the moment. But what impresses me as we get into these kinds of negotiations is how strict the lawyers are, how unreasonable. Even the guys who were trying to understand kept referring to this or that statute. They were bothered by the whole concept of treatment, particularly when a DFY facility was involved—well, they'd say, it's really a *hospital* if you're treating them. For them, treatment means providing psychiatric and psychological services . . . and it gets to be a lot of nit-

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> picking. . . . Ninety-five per cent of the joint-service meetings I go to are concerned with legal issues—I just come away amazed—we never talk about clinical matters anymore, just go over law books. No one ever talks about treatment modalities, no one ever says what he thinks you can really do with these youngsters.[1]

In the law's view, the great majority of reasonably manageable delinquents fall somewhere between the mental-health system and adult corrections. The 100-year-old rehabilitation tradition has uneasily downplayed the element of control in the juvenile-corrections system, in favor of the optimistic conviction that removing the delinquent from his normal environment, providing close supervision by a firm but sympathetic adult, and engaging him in wholesome activities will reform his attitudes and ultimately his behavior. The efficacy of the treatment technology has recently come under attack, but no one has suggested an alternative that seems to make better sense. If the training schools are to be blamed (unreasonably) for recidivism rates that run as high as 50 per cent, they should perhaps be given credit (just as unreasonably, perhaps) for the 50 per cent who do not return.

As an example of the current legal effort to reform the reform schools, consider an action before the courts in New York, *King v. Carey*, which attacks the juvenile camps where residents are required to perform various forest conservation work. The boys can receive up to six dollars a week for their work, based on a point system that reflects their overall performance on details, in school, and in group meetings. However, for the work done, the plaintiffs complain that "they receive compensation which is insufficient, demeaning, and violative of federal statute and the United States Constitution." In addition, inmates are required to work at times in the kitchen and "otherwise involuntarily perform maintenance work for the institution's general population and staff."

If rehabilitation is to mean anything at all, it must somehow involve preparing the deviant youth for a world of reality in which effort is related to reward, and work plays some reasonably central role. The disparaging language of the plaintiffs in *King* is irresponsible; they complain further, for example, that the boys are forced to don overalls, which they call "monkey-suits." The lawyer who wrote that is apparently unaware that a majority of the country's work force, including brain surgeons and astronauts, customarily don some variety of work clothing.

[1] These remarks and others in the following pages are from interviews I conducted in juvenile institutions.

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The conflict with administrative discretion

Few judges and lawyers engaged in reforming state institutions have the slightest idea of the managerial problems involved in operating them; fewer still are interested in learning enough to work out sensible accommodations between the law and institutional reality.

Even in states that provide very substantial financial resources for these facilities, the organizational problems are staggering. Staffs are divided into very disparate groups: a large number of attendants and aides who care for residents around the clock, a smaller number of professionals. Most of the many ingenious proposals for achieving effective coordination among the staff members have failed. In facilities around large urban centers, the daily staff are likely to be black, the professionals white—with wholly predictable consequences.

Doctors and psychiatrists are, for the most part, foreign-born with a very wide range of training and understanding of the culture in which they must operate. Middle-level professionals are Americans, varying in the degree of realism with which they approach their tasks. Attendants are a mixture of stable working-class elements with a strong belief in authority, who are often indignant over the perceived indulgence of inmates by the professionals, and lower-class elements, who often are not. Managerial control over this motley work force must be exercised within the framework of complex state personnel rules, civil service protections, and, in many places, union regulations. With three shifts seven days a week, and with sick leave, days off, compensatory time off, vacations, holidays, etc., only about 60 per cent of the staff is available at a given time. So much energy must be devoted to firing an employee that it is seldom attempted. A very high degree of management skill at all levels is required—but this is something not normally found among mental health professionals.

Finally, there are the residents. A cynical prison official once said, "Give me a better class of prisoner and I'll give you better prisons." Model institutions are relatively easy to construct—if admission is restricted to those who are well enough, or socialized enough, to control themselves most of the time. But as the mildly mentally-ill, the mildly retarded, and the least delinquent are increasingly housed in community facilities, problems of control increase. Yet it is precisely over issues of control that the courts have intervened most drastically, establishing rules covering restraint, isolation, punishment for infractions, and drug administration. These restric-

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tions put a very considerable strain on systems that were already difficult to manage.

Hoping in part to forestall the judicial takeover of facilities that has occurred elsewhere, New York state mental-health and juvenile-corrections authorities have substantially changed their own regulations, putting a variety of curbs on administrative discretion at the level of local facilities. An extensive ombudsman system, for example, has been instituted by the Division for Youth, and a number of restrictions covering control procedures have been promulgated. But the children's division of the New York Legal Aid Society has a staff of 70 lawyers and a grant from the Department of Justice to keep the DFY constitutionally pure[2]; the "Catch-22" quality of DFY's situation may be appreciated from the following account by the chief ombudsman:

> One of the things we've worked on ourselves is a strict limitation on room confinement; any confinement over 24 hours has to be approved by Central Office, and we have to approve. So we write a law, and it says 24 hours, Central Office approval, and we start cracking down. Then Legal Aid sues us, saying, look, you made those regulations but we found your superintendents violating them. They'll come up with five or six cases where they let a kid stay in for a week or so. So what happens when you pass a strict regulation is that you fight with superintendents who are going to try to get around it, and when you get sued the emphasis in the court is only on the violations. People lose sight of the fact that in six months you've cut the incidence of isolation in half.
>
> It is really frustrating. I know that I could write a much more flexible law and we'd never get caught on it because the superintendent could say, well, I'm within the regulations. But when you try a really strict one, you give Legal Aid a weapon because no one can live up to it a hundred per cent. All they have to do is provide a couple of cases and then say, how can you claim you reduced the abuse? But if you write a flexible law, you're not going to reduce room confinement nearly as much because you're not being as tough. It's an awful bind.

The facilities themselves are under increasing strain, facing control problems they may or may not be able to handle. What do you do when staffers "are afraid to tell a kid that he has to clean up the garbage in his room" because that might provoke a confrontation that will end up in an investigation? When does such apprehension "become a cop-out, an easy way to turn your head

[2] Children under the jurisdiction of the family court have the right of access to an attorney, generally one provided by the Legal Aid Society. The Society may also initiate class-action suits in the name of a group of children who consent to be represented; the Society can thus choose its own targets.

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and say to hell with it?" What do you do with a kid who must, for his sake and that of others, be secluded—but the rule for mental hospitals says "*no* seclusion," and you don't have enough staff to assign someone one-to-one with the patient? What do you do with a 16-year-old who calmly knifed and killed a woman on the street, who has been in practically every mental-health and juvenile-corrections facility in the state, and who is as dangerous to handle as a venomous snake—when there is no longer a secure mental facility for children in the state? (You can't answer, "Call the chief counsel of the Legal Aid Society and ask him to take the kid home with him.") Suppose you are a member of the DFY ombudsman staff and observe a counselor slap a kid—but in a crowded, volatile situation, with the kid pushing the limits, when it seemed the only way to bring the situation under control without letting further trouble develop. You can't have rules that *permit* staff to slap kids, but do you report this counselor and get him into trouble? Suppose you don't and the incident turns up in the next court complaint brought by Legal Aid?

The consequences of reform

These are examples of the kinds of administrative difficulties encountered in states where the federal courts have not yet assumed control over daily operations, as they have in Texas and Alabama. A study covering the first two years of the implementation of the *Wyatt* decision has recently been published (*Yale Law Journal*, Vol. 84, 1975); it provides the first complete account of the consequences of the more sweeping judicial attempts to reform state institutions.

1. There has been a bewilderingly rapid turnover of executive staff. Stonewall B. Stickney, the Alabama Commissioner of Mental Health, was discharged and then replaced by Charles L. Aderholt, who was himself forced to resign after one year and was then replaced by the former Finance Commissioner. At Partlow, the Alabama state facility for the retarded that the *Wyatt* report concentrates on, the superintendent was discharged for cooperating with the plaintiffs' lawyer and then replaced by Dr. John Hottel, who resigned in frustration and was then replaced by Richard E. Buckley, who was himself later discharged shortly after the *Wyatt* decision was affirmed on appeal. Thus, one of the three state institutions involved in the case has had four superintendents in two years.

2. After the state supplied $11 million in federal revenue-sharing

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funds, Partlow alone hired 300 new staff members. The massive infusion of new and untrained attendants caused predictable confusion and inefficiency for some unspecified period, made worse by the considerable turnover in personnel who could not take the pressure of constant court supervision. There are reports of increased abusiveness toward patients by some staff members, and a stiffening of staff solidarity as a "no ratting" policy developed.

3. The court-ordered decrease in institutional population was carried out amid accusations that the staff was "dumping" patients into the community; public concern rose over the arrest of several former inmates for indecent exposure and child molesting. With a relaxation of security measures, an unspecified number of Partlow residents ran away or wandered off and got lost.

4. The major source of conflict soon became Judge Johnson's monitoring device, a Human Relations Committee (HRC) appointed for each of the institutions. These were seven-member citizen groups of concerned advocates, and included no mental-health professionals. The judge's instructions to the committees were "to pursue whatever action is necessary to accomplish [their] function"—i.e., the implementation of his decree. The Partlow HRC promptly began a long series of wranglings with the administration, called individual staff members to testify before it, heard patient complaints, ran back and forth between the institution and the court, and became "heartily despised by the institution." At one point, the Partlow administration accused the HRC of obstructing implementation of the order and asked the court to dissolve it; failing in that, the administration requested a clarification of the function of the HRC, apparently without much success, and began to restrict the flow of information to it. The reaction of the Partlow HRC was to turn to the United States Attorney, who enlisted the FBI to conduct a running investigation, from which not very much emerged. A typical conflict developed from the attempt by the HRC to change the institution's policy of locking all doors between wards and buildings. The administration argued that the rule was necessary to prevent theft and to protect the safety of residents, and that the matter was not within the scope of the court order, anyway. In fact, at Bryce, the Alabama state mental hospital, the doors *had* been unlocked, to comply with the court's demand for the "least restrictive setting," and some residents had wandered off into the community and caused considerable disturbance. This led the Bryce HRC to accuse the superintendent of "over-complying" with the order in order to embarrass the court!

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Was treatment improved as a result of the *Wyatt* decision? It is difficult to say; the authors of the implementation report (supported by one of the most determined advocacy groups, the Mental Health Law Project) declined to claim any improvement, pointing only to very large differences between the original order and the situation two years later. There were substantial improvements in the physical plant, cleanliness of the patients, sanitation, and other environmental conditions. But although staff followed orders in writing treatment programs for each patient, their implementation was apparently quite limited, and "most of the waking hours of many patients were spent in rocking chairs. . . . The major change that the decree brought these persons was that they previously sat on benches."

It is not surprising that progress on such comprehensive treatment plans is likely to be slow in facilities for the retarded; one expert describes 150 steps that are necessary to train the retarded to tie their shoelaces. What the *Wyatt* study makes clear is the improbability of determining adequacy of treatment by having an outside committee of citizens check off compliance or noncompliance against a laundry list of standards provided by court decree.

The future of the "right to treatment"

Though even some legal advocates concede that, as a constitutional doctrine, the "right to treatment" may be just another fad, the Supreme Court majority, minus only Chief Justice Burger, seems disposed to recognize it in some form. The authors of the *Wyatt* implementation report zealously conclude that the lesson to be learned is that the court must extend its supervision and prepare to maintain it for a period longer than previously supposed necessary. Judge Johnson himself has recently added the Alabama state prison system to his responsibilities; if Governor Wallace decides not to be generous with his federal revenue-sharing funds, we may ultimately have the opportunity to watch an interesting constitutional crisis develop.

Herbert Simon's observations on the futility of attempting to optimize organizational performance suggest instead that institutions will probably find ways of adapting to the legal pressures. Nationally, the mental-health system has changed admission policies to discourage involuntary commitment, and a majority of admissions are now voluntary. If patients complain about their treatment, they have the right to leave. One can only speculate

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about the long-run consequences of such a policy; since it constitutes an informal kind of "dumping," it is possible that a considerable increase in aberrant public behavior in our urban areas will add further to the already impressive forces that push the middle class out of the central cities.

Correctional facilities do not have such a safety valve available, but it is likely that the conflict between the pressures on institutions and the public clamor for security will finally erode the tradition of rehabilitation that stands as the only underpinning of the "right to treatment," as it applies to such facilities. The courts may then base their efforts toward correctional reform on the "cruel and unusual punishment" clause. The determination of which institutional practices are either cruel or unusual and which are not presents no small dilemma. Whom should the courts consult to determine contemporary standards? Tom Wicker, who seems to be making a career of turning the aggressor into the victim? Judge Bazelon, who sees the law as an instrument for attaining his own social vision? The old people who huddle in locked apartments in changing neighborhoods, afraid to walk to the store? The mother of a child who gets mugged in his own school corridors? The members of the most recent state legislature to reenact the death penalty? It is difficult to say, but undertaking the task of developing standards that do not violate a general sense of what is "cruel and unusual" may be easier than dealing with the complex impact on social and institutional systems of an unbridled "right to treatment" enforced by the courts.

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Psychology, Ideology, and the Search for Faith

JOSEPH ADELSON

EARLY in my career I lived in a small community, many of whose members were intellectuals or artists. I had just begun my own psychoanalysis, and since misery loves company I became an enthusiastic proselytizer, much given to attempts at persuading my colleagues to try it. It will do wonders for you, I said shamelessly. They were interested, even tantalized—psychoanalysis was then just on the verge of becoming fashionable—and yet they held back, for two reasons. First, it was thought that psychoanalysis might damage creativity. This was a time when the link between art and neurosis was the subject of much discussion in intellectual circles—witness Lionel Trilling's celebrated essay, or Edmund Wilson's *The Wound and the Bow.* To this I would reply that there was no evidence supporting the notion and that, to the contrary, psychotherapy more often unchained the talents constricted by neurosis. I would make precisely the same argument today, and with even greater confidence.

The second reason given ran along these lines: Although my friends admired Freud and thought him a genius, they were not at all sure about the ordinary working psychotherapist. They feared coming under the unwarranted influence of an inferior mind, or provincial attitudes, or a worldview lacking in power and sophistication. To this I would reply that they misunderstood psychotherapy, that the process was not preceptive but eductive—that is, its intention was not to indoctrinate but to explore. Indeed, I would go on, its essential merit was that it would not instruct nor mandate nor attitudinize; it provided instead a refuge, a quiet haven for the scrutiny of the self's vicissitudes.

I would hesitate to offer that same argument today, in part because I can see that the issue is not so readily disposed of, that it is rather more complex than I once believed. But I would hesitate today for a more important reason: The psychotherapeutic scene itself has changed, and the ideal of value-neutrality has been decisively eroded. In many ways, large and small, overt and covert, witting and unwitting, gross and subtle, psychotherapy has become politicized. Indeed, much of the time, it *is* a vehicle of unwarranted

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influence, involving silent but powerful indoctrination—just as my colleagues had once feared. And also as they had feared, as often as not the ideas transmitted are parochial or half-baked or merely modish.

A female colleague of mine has recently observed that women are sometimes referred to her as patients because she has successfully combined career and family, and so would presumably provide a good role-model. She is irritated by this, and rightly so, since such referrals are made on the grounds of gender and circumstance rather than competence. I might add that all my female colleagues, quite without exception, resent such referrals for precisely the same reason.

But there is an entirely different reason to be offended. I would like to ask why the referring analyst believes that it is his prerogative to determine what kind of model a patient needs. At the very least, such an assessment is premature, since it prejudges certain choices that should become evident only after psychotherapy, if then. What is even more troubling is the light-hearted arrogance expressed in the presumption that it is the psychologist's task to make such decisions. It is not. The psychologist is in no way licensed to offer moral pedagogy, even when it takes the form of tacit instruction about goals, roles, and lifestyles. To get some perspective on the matter, consider what reaction would be forthcoming if the referring analyst had said something like this: "I am *not* going to send this woman to see you, because the last model in the world she needs is someone like you. She should see someone who would encourage her to be a good wife and mother and give up these foolish notions about a career." It is easy to imagine the furies that would be unleashed. Yet the two instances are essentially the same, the only difference being that the idea of women having a career is now very much in fashion, just as it was very much out of fashion 20 years ago. In both instances, the real and the hypothetical, the psychologist has insouciantly taken on himself powers of decision that are not rightly his.

I would not wish to make too much of this example; the sin is venial. All therapists, in unguarded moments, have said similar things, or worse—thoughtlessly and generally harmlessly. I use it only to illustrate a more general problem: The ideal of disinterestedness—the separation of ideology from practice—is increasingly being abandoned, sometimes for the curious reason that since it cannot be perfectly achieved, one ought not to strive for it at all. The loss of this ideal is evident even in scholarship. One can no longer fully trust the probity of scientific research and commentary concerning a politically controversial topic. My own area of work has been the young in general and their politics in particular, one of the hot topics of the late 1960's, and my two decades of experience have induced an overwhelming skepticism about all writing on this topic, including at times my own. One learns to parse each sentence, to scrutinize each table, to recalculate each statistic. And

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as we all know, the same is true for other controversial issues in psychology—heredity and intelligence being the most obvious; more recently, the nature and innateness of sex differences. The great statement of the scholar's need for value-neutrality in his work is Max Weber's classic essay, "Science as a Vocation." When I reread it recently, I was forced to conclude lamentably that things have not gotten better since Weber's time—and in some respects they have gotten worse.

But if the situation is troublesome in the social sciences, it is very nearly egregious in the practice of psychotherapy. One can easily see why. In science and scholarship, dialogues are public, and other voices can be heard; therapeutic interchanges are generally private. Science and scholarship involve conversations among peers; psychotherapy inherently involves inequality, even when we pretend otherwise. The tradition of objectivity is strong in the former case, relatively weak in the latter. All in all, in the practice and theory of psychotherapy we find fewer of the extrinsic constraints that might keep partisan impulses in check. Hence in a politicized and politicizing era, one in which messianic impulses run wild, the analytic attitude is lost. We are possessed by our presuppositions.

What is most disheartening is to see how the preceptive mode—the need to make judgments, to instruct, to legislate—preempts openness of heart and mind among so many students. I teach a graduate course in psychotherapy and find that a significant minority of my students, about a third, though only at the beginning of their learning seem already beyond its reach. They live within a cacophony of slogans, catch-phrases, buzz-words, and other forms of cant; they are filled with an adversary passion. For example, to illustrate the workings of "transference" from patient to therapist in an uncomplicated case, I tell my students about a former patient, a young woman married to a successful and rising professional. Her marriage is a satisfying one; they have two preschool children, both of them happy and developing normally; they have just moved into a new home; their prospects could not be brighter. Nevertheless, just after their house had been built, she began to feel depressed. More serious still, she had developed an obsessive fear, which she herself understood to be irrational, that her husband would soon leave her for a younger and more attractive woman.

As I recount this rather ordinary story, I sense that a few of my students are unhappy, and after some conversation it becomes evident that they don't approve of her—she is too comfortably bourgeois, too comfortably domestic. They like patients they can feel sorry for, or sentimental about. Worse yet, as our colloquy develops it appears that they have arrived at certain conclusions about her problem—to wit, that she is leading a shallow suburban life, that she secretly hates being trapped in the role of housewife, that she resents her husband's dominance, that she should be encouraged to be assertive, and on and on, each and every one of the tired, thin, trite, superficial slogans of the phony social science of the tele-

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vision talk-shows. One listens to this bemused at first, then impatient, and finally in despair—not merely because these formulas are, each and every one, utterly mistaken when applied to this patient, but even more so because of the mixture of didacticism and moral superiority that informs the opinions. It is an attitude of mind that resists the particular; what is particular must be forced into the Procrustean bed of ideology. T. S. Eliot said of Henry James that he had a mind so fine that no idea could violate it, using the word "idea" in the sense of ideology; what we have now are minds not merely violated but entirely consumed.

THE problem is compounded these days because the constituency for psychotherapy so often shares the ideologizing temper; hence the therapist and client enter into a sort of collusion, an agreement in restraint of therapeutic trade, so to speak, wherein certain questions will not be raised, certain assumptions never examined, certain conflicts never explored. Sometimes this is done quite directly, as when one is cross-examined about one's views on such matters as politics, religion, sexual preference, or penis envy; or when one is listed or blacklisted by various militant groups as either having or not having acceptable opinions on these or other matters.

But far more often the complicity is essentially unwitting, and even unwanted. Much of the time the patient does not have a clearly defined idea of what the problem is. The symptoms themselves may be diffuse or murky, or when they are sharply felt, the patient may be unable to place them in an acceptable framework of meaning. Thus the patient has been struggling to make sense of his personal situation even before entering the therapist's office, and the struggle persists in the introductory phases of the therapy—the patient searching for the language of motives that will be acceptable to the therapist so that their dialogue can begin. As any therapist can attest, these early hours are often critical because the patient, while trying to make himself understood both to himself and to the listener, is also listening, listening avidly to pick up a sense of the language that is to be common to them. Almost invariably, these early efforts at self-explanation further the resistance, at least partially; they are elaborations of the prevailing defensiveness, and the therapist must be ever alert to that possibility, particularly when the language chosen reflects the clichés of the patient's milieu, or of the therapist's.

Another example, again a fairly commonplace one: a woman in her early 30's, of aristocratic origins, married to a young academic. She is initially quite agitated. She recently and inexplicably had an anxiety attack, and although it was neither prolonged nor severe, she is terrified that she may be going crazy. She is a forceful woman, and she importunes me to tell her whether or not she is insane, and in either case to cure her rapidly. When I say "forceful" I mean that she shouts at me at the top of her lungs: The walls

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shake; I shake. I am later to learn that imperious anger is her customary way of controlling anxiety. But what she is so anxious about is not at all clear. In trying to understand seemingly sudden ruptures in the sense of well-being, a therapist usually begins by looking for losses or transitions, immediately past, or present, or pending. To be sure, her husband's prospects for achieving tenure are uncertain, and that worries her; she has just developed minor arthritic symptoms that may interfere with the sports that mean so much to her; but neither of these problems seems *prima facie* troubling enough to warrant the panic that now appears to possess her.

What really puzzles me in our early conversations is that I get no sense of how she locates herself in the life cycle—where she is, temporally speaking, and what she is moving toward. I raise the issue in the most general way, and she tells me, somewhat petulantly, that she has thought of having a baby. She is sure her husband wants one to carry on the family name, but she has decided she would not be a good mother, and it would interfere with her self-fulfillment. I am immediately alerted because the statement seems out of character, contrived; it is the first false note I have heard from her. One can almost hear the tumblers falling into place: baby, click; husband's pressure, click; self-fulfillment, click, click, click. An ideological trap is being baited, unconsciously; she thinks this is the language I want to hear, and if it serves her defenses, so much the better. And as matters turned out, to have taken the bait would have delayed at least and perhaps foreclosed the discoveries that were to come.

I will compress a long and fascinating period of therapy. The pressure to have a baby, we ultimately learned, did not come from her husband, who was in fact sympathetic to her wishes, but from within her and was imputed to him. More important, she did want the baby, desperately so, but was concealing a phobic anxiety about childbirth by pretending to herself that she was indifferent. And once we learned that, we learned the real secret—that her mother had been hospitalized in a psychotic state immediately after she was born and had proved incompetent to care for her after being discharged, so that she was taken from her mother and put in the care of a nurse-governess. We were thus able to understand her fear of going crazy, and the conviction that she would prove an unfit mother. She felt she was destined to relive her mother's experience with her—to give birth, to go crazy, to be declared incompetent, and to have her own child taken away, as she herself had been. For those of you who like happy endings, she did have a baby, and proved to have prodigious maternal feelings. And for those of you who think I simply helped lock her into the nursery, the therapy also uncovered and resolved a long-standing intellectual inhibition—she is now enrolled in professional school. Those were her ambitions, not mine. Had she been content at the end of the therapy to return to the life of aristocratic ease in which she had been raised (she is the heiress to a substantial fortune) that

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would have been all right with me, too. Her goals are her business, not mine.

THIS struggle between the preceptive and eductive modes is by no means new to the history of psychotherapy; to the contrary, we find it appearing at the very onset of its history, in the responses of Jung and Adler to Freud's method. We have a brilliant exegesis of this conflict in Philip Rieff's *The Triumph of the Therapeutic.* He points out that "in their different ways both Adler and Jung sought in psychoanalysis a total theory, to which a patient could commit himself wholly.... More modestly, Freud sought to give men that power of insight which would increase their power to choose; but he had no intention of telling them what they ought to choose.... To make men do less harm than they might otherwise do was the limit of Freud's ambition. He had no interest in creating a doctrine of the good life, nor one of the good society." Rieff later notes that Adler's doctrine led into politics, and Jung's into religion; thus to an astonishing degree these psychologies prefigure the directions taken by current preceptive psychotherapies.

No one reads Adler today, and few read Jung, but you will find in Adler a complete anticipation of the politicized psychotherapies of our day—feminism, for example, is little more than warmed-over Adlerianism, with its emphasis upon power, superordination, and even the "masculine protest." And you will find in Jung an equally complete anticipation of that incredible hodgepodge of semi- and pseudo- and quasi-religious therapies that will soon dominate the mass market for instant healing—though in all fairness, I must emphasize the vast differences between the thin intellectual gruel of these latter-day derivatives and the erudition and variety found in Jung's writings.

It is this mass market for healing that increasingly dominates the practice of psychotherapy, and much of its theory. To a remarkable degree our clients are drawn from what we have come to call the "new class," that is, from that large and growing segment of the upper-middle class devoted to the production and communication of knowledge and beliefs—college teachers (especially in the humanities and social sciences) and those working in the media, in entertainment, and in government and corporate bureaucracies devoted to knowledge or public relations. Though only a few create new knowledge, their social function is to be alert to what is novel and emergent—not merely ideas, but also attitudes, moral postures, lifestyles. This group is mobile, generally transient; with respect to origins, deracinated. It is both the carrier and the victim of modernity—having abandoned traditional values and restraints, members of the "new class" search restlessly for substitutes, generally making do with what is fashionable as causes or crusades, though unconsciously hungering for some kind of absolutism. It is no surprise that their children are so often drawn to political or religious tyrants.

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The emergence and condition of this class was foreseen with uncanny prescience by our great predecessors in social theory—Durkheim, Weber, Schumpeter. What no one could foresee was the extent to which psychotherapy would be used as a replacement for lost faith. It was not until the appearance of Rieff's memorable writings that the interaction between psychotherapy and morality in the modern era came fully into view, and I would guess that even Rieff, writing a little over a decade ago, did not anticipate how rapidly and how pervasively the religious impulse—whether expressed in eccentric versions of traditional faith or in millenial political ideas—would transform psychotherapy. We can now see that practitioners and clients belonging to the same "new class," sharing the same sensibilities and suffering the same self-doubt, come together as priest and acolyte—not in search of self-knowledge, but in search of a faith that will console them both.

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Irving Kristol, Editor

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Small-Town America: Myth and Reality

BENJAMIN STEIN'S "Whatever Happened to Small-Town America?", in issue No. 44 (Summer 1976) of *The Public Interest*, was remarkable in its many inaccuracies—about Hollywood and its portrayal of small towns, and about small towns themselves. The conclusion of the article, that left-wing and liberal Jewish writers in Hollywood are subverting innocent (non-Jewish) moviegoers and television watchers, reminded me of similar charges made 50 years ago by the right-wing opponents of Weimar democracy.

Admittedly, Mr. Stein never quite raises the religious issue; he says only that the "typical Hollywood writer, from my experience, is of an ethnic background from a large Eastern city—usually from Brooklyn." Perhaps he is right. Still, this does not prove the writers are liberal or left-wing, that they were large donors to the McGovern and Hayden campaigns, or for that matter, that they are against small towns. More important, my impression (based on an inveterate reading of film and television credits) is that the Westerns, crime dramas, and adventure stories from which Mr. Stein draws most of his evidence are generally written by people whose names suggest they are neither ethnics nor from Brooklyn.

Mr. Stein is correct on one point: The media's love affair with the small-town pastoral has died down since World War II, even if it was never quite as passionate as Mr. Stein thinks. Still, the pastoral remains very much alive in television news features—for example, in Charles Kuralt's CBS news series, "On the Road."

Television's portrayal of small-town criminality, however, is more complex than Mr. Stein suggests. Hollywood writers are saying that crime is sometimes carried out and sometimes covered up by the power holders in small towns, and this process is immeasurably aided by the fact that they are friends, and often relatives. To me, these stories are mainly warnings against the pastoral myth, depicting the dark side of Gemeinschaft, and suggesting that it can breed lawlessness and conspiracy as well as cohesion and warmth.

This theme is old as the hills, even in Hollywood, and it was probably first imported by the writers of Western movies, who were usually not from Brooklyn. Mr. Stein himself mentions the 1956 film *Bad Day at Black Rock*, but Will Wright's recent *Sixguns and Society* (University of California Press, 1975) indicates that the small-town society of the Western was almost always depicted as weak, thus creating the need for the outlaw-hero. In some films, such as *High Noon* (1952) and *Broken Arrow* (1950), the leaders of the small town even tried to have the hero killed because he was endangering its stability or other interests in his single-minded pursuit of morality.

Now that Westerns are passé, at least for the moment, their critique of small-town Gemeinschaft has been transferred to other television

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dramas and to contemporary hamlets—including "Fernwood, Ohio," where Mary Hartman lives and suffers. Although Mr. Stein sees *Mary Hartman, Mary Hartman* as a sign of a newly favorable attitude toward small towns on television, he evidently has not watched the series regularly. Otherwise he would know that while Mary Hartman may be a traditional small-town innocent, most of the townspeople—who cause suffering to her, her family, and her friends—are depicted as corrupt. Even so, "Fernwood, Ohio," is hardly a typical hamlet, since its major male characters all work on an assembly line.

Nor is television's current image of the small town pure fiction. Hollywood exaggerates empirical reality, as it exaggerates everything else, but the small towns are not as crime-free as Mr. Stein would like to believe. According to FBI Crime Reports, which divide America into "metropolitan areas," "other cities," and "rural areas," the "rural areas" have almost as high a violent-crime rate as "other cities," and keep up with them in rates of murder and rape. To be sure, the rates are lower than those of large cities, and there is no street crime and mugging, but small-town America is hardly peaceful. Moreover, a long list of journalistic and sociological studies, as well as naturalistic novels, have shown that the familial and friendship ties that typically characterize small-town life have cemented economic and political alliances that breed corruption and other forms of white-collar crime, and occasionally even murder. Rural political machines, for example, predated and have outlived their urban counterparts, and while the news media have not paid much attention to them, their deviations from legality differ little. In short, the media do not "detest a fundamental social unit," as Mr. Stein would have us believe, but only one of its faults.

I am also surprised that a viewer as experienced as Mr. Stein still believes that media fiction can alter basic attitudes and values. He admits himself that the media's portrayal of small-town criminality has not diminished the fondness many Americans feel toward the small town, but then goes on to say that "it is simply inconceivable that a medium capable of making a brand new deodorant number one in sales in only six months . . . could not, after years of trying, make Americans feel ambivalent about small towns." In fact, there is no evidence that the media are capable of making Americans feel such ambivalence—the ability to hype up deodorant sales proves nothing about attitudes. After all, when you sell patent medicines that at best offer symptomatic relief, it is not very difficult to persuade people to try a new one every so often with a catchy commercial.

In the end, Mr. Stein has the same view of the American public, whom he sees as being subverted by Hollywood, as that which he accuses the left-wing and liberal writers of having, those whom he imagines dominate television. He sees the television audience as a gullible mass whose culture is shaped by the media; consequently, he suggests that the continued fondness for small-town life "is, perhaps, the result of some reality penetrating into the minds of people who watch television." A curious phrase, but since Mr. Stein is out to expose a previously unrecognized menace, he must also invent a thickheaded populace for whom reality is only a sometime thing.

—*Herbert J. Gans*

Benjamin Stein replies:

In my article, I tried to raise two points: 1) Movies and television programs typically picture small towns as evil, dangerous places; and

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2) creative people involved in the making of these shows dislike and fear small towns, for largely political reasons.

Professor Gans apparently recognizes the first point, but believes that the trend began earlier than I said. That is possible, but his example, *High Noon* (1952), does not support his contention, since it was made 20 years after *I Am a Fugitive from a Chain Gang* (1932), which I cited as the first of the anti-small-town films.

That is a small point, however. If Professor Gans does not recognize that the animus against small towns has become a staple ingredient of television adventure dramas, he simply has not been watching television. If he does not acknowledge the movies' maltreatment of small towns, he simply has not been going to the movies.

The second point was, if anything, understated in my article. Since coming to Los Angeles I have interviewed many producers, directors, and writers concerning their political feelings. Without exception, they are fearful and worried about small towns, mainly because of the political views they see represented there.

Two examples make the point clearly. I asked Meta Rosenberg, an extremely intelligent woman who produces *The Rockford Files,* how she felt about small towns. She answered that they had some good points, but that they could easily become thoroughly corrupt, because there were no forces to dissipate corruption once it started. When I asked her if small towns were frightening, she thought for a moment and said, without prompting, "Jesus Christ, they did vote for Nixon."

When asked about small towns, Stanley Kramer, a producer-director with impressive credits (including *High Noon*), said, "Of course, they're reactionary, extremely reactionary. They pursue the clichés of America so strictly that they endanger America."

These comments are unusually succinct, but highly representative. I think it might be instructive for Professor Gans to spend some time in the dream factories to see how what goes in influences what comes out.

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